Draft
Statement of Objectives (SOO)

***April 4*, 2003**

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1.0 Introduction and Background

1.1 FSA Overview

The U.S. Department of Education operates over 175 programs that touch every area and level of education. One of the key areas is Title IV Aid for post secondary education. Federal Student Aid (FSA) is the office within the Department of Education responsible for managing the federal student aid programs and processes. FSA makes available over $50 billion in post secondary student financial aid every year, including more than $30 billion in new student loans, and more than $7 billion in Pell Grants. FSA is the equivalent to the 9th largest bank in the U.S. with a loan portfolio in excess of $100 billion. FSA does this with 1,100 employees and 3,800 contractor personnel who operate and maintain the myriad of systems and processes that enable FSA to manage the Title IV federal student aid programs. FSA "helps put America through school."

Challenged by Congress to integrate its many disparate legacy systems, improve service to its customers and employees, reduce its operational costs, and restore integrity to the systems and processes that manage the federal loan program, FSA was designated the first Performance-Based Organization (PBO) to manage for results. This designation was the starting point on FSA's effort to modernize the management, delivery, and accountability of its Title IV Aid program. Operating as a PBO, FSA implemented a corporate-like organization structure led by a Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Information Officer (CIO), and General Managers.

1.1.1 FSA's Business Challenge

FSA's business challenge is articulated in the COO's objectives, which in turn, drive the work of FSA:

- Integrate FSA Systems and Provide New Technology Solutions
- Improve Program Integrity
- Reduce Program Administration Costs
- Improve Human Capital Management
- Improve Products and Services to Provide Better Customer Service

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1.1.2 FSA Integration Efforts

Using a phased development approach, FSA is modernizing and integrating its core business functions - loan application, loan origination & disbursement, and loan servicing - through the reengineering, retirement, and replacement of existing legacy systems. Through the formulation of a core business architecture, FSA has been able to apply key technical architecture solutions including middleware technologies to help integrate modernized systems with legacy systems to enable data sharing and eliminate redundancies. These core business application solutions are integrated with a Financial Management System using Oracle's Federal Financials Commercial Off-The-Shelf (COTS) product enabling FSA to have a financial "worldview" of their business.

FSA's transformation affects all aspects of its business – people, processes and technology. As part of the integration efforts, FSA has performed the following activities:

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- Created and implemented a new business architecture, focusing on services that are critical to customers – eliminating some, changing some and adding new processes.
- Developed and maintains an enterprise architecture, reducing the costs to operate systems and increasing the ability for systems to "talk to each other."
- Utilized the Internet for many aspects of the business including helping change customer behaviors: In essence, turning paper to electrons to reduce cost and improve service.
- Offers customers more electronic options, as evident by web portals and Customer Relationship Management (CRM) planning.
- Integrated financial management systems to assure the integrity of program expenditures and ensuring that FSA's fiduciary duty to the public is fulfilled.

One of the more recent initiatives that FSA has undertaken is the Common Services for Borrowers (CSB) initiative, which involves the integration of the Servicing, Consolidation, and Collections business operations and functions. These three functions – Servicing, Consolidation, and Collections – are managed within FSA through the Student Credit Management (SCM) team.

1.2 Common Services for Borrowers (CSB) Initiative

FSA believes that at the present time, there is an opportunity to procure a vendor(s) to perform the operations and software applications maintenance for an integrated solution across the three business areas of Servicing, Consolidation, and Collections. As a result, SCM Leadership created the Mission and the Vision for the CSB project:

CSB Mission – "We Help America Manage Student Aid Obligations"
CSB Vision – "To improve the management of student aid obligations through efficient use of timely and accurate information, common functions, and shared data"

CSB's Mission and Vision support FSA's organizational objectives, as defined in Section 1.1.1 of this document. In an effort to use industry best practices and improve the management of these assets, SCM leadership concluded that a number of common functions within SCM can be streamlined, consolidated, and reengineered to deliver significant improvements in managing student aid obligations from both a cost and borrower satisfaction perspective.

The CSB solution will have the capability to manage all types of student aid obligations. These obligations include Direct Loans, defaulted debts assigned to the Department of Education from Federal Family Education Loan (FFEL) or other lenders, rehabilitated loans, and any other type of Title IV student aid obligation. The Title IV, Higher Education Act (HEA) programs include:

- The Federal Pell Grant Program;
- The National Early Intervention Scholarship and Partnership (NEISP) Program;
- The Federal Supplemental Educational Opportunity Grant (FSEOG) Program;
- The Leveraging Educational Assistance Partnership (LEAP) Program;
- The Federal Stafford Loan Program;
- The Federally Insured Student Loan (FISL) Program;
- The Federal Parent Loan for Undergraduate Students (PLUS) Program;
- The Federal Consolidation Loan Program;

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1 • The Federal Work-Study (FWS) Program;
2 • The William D. Ford Federal Direct Loan (Direct Loan) Program;
3 • The Federal Perkins Loan Program; and
4 • The Paul Douglas Teacher Scholarship Program.
5

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6 SCM's core business processes will be reengineered in the CSB solution. These core business processes
7 are associated with the post-enrollment period of student aid, including servicing the William D. Ford
8 Federal Direct Loan Program portfolio, performing Direct Loan consolidation, and the management
9 and recovery of student aid obligations assigned to the US Department of Education. This
10 reengineering will include the "back office" and "front office" functions associated with the servicing
11 and collection of federal student aid obligations. The "back office" functions include Data
12 Management, Transaction Processing (including consolidating loans), Payment Processing, Fulfillment,
13 Document Management, Debt Recovery and Resolution, Portfolio and Risk Management, Performance
14 Management, Program Management, and all necessary resources required to support these activities
15 (school services, entitlement processing, etc.). The "front office" functions include Customer
16 Relationship Management (CRM)/Customer Interaction activities and interfaces, consisting of Paper
17 Correspondence, Call Center (Customer Service Representative) Operations, an Interactive Voice
18 Response (IVR) system, and the CSB Website. The CSB solution will not include aid awareness, Free
19 Application for Federal Student Aid (FAFSA) processing, loan origination, National Student Loan Data
20 System (NSLDS) operations, or any other functions not directly related to the post-enrollment activities
21 of loan consolidation, servicing, and recovering federal student aid obligations. However, the CSB
22 solution must fully integrate and be compatible with these and other FSA business functions that
23 support the management of student aid obligations. In addition, "back office" functions must support
24 the Customer Interaction layer of the "front office." FSA retains the right to bid different components
25 of the CSB solution to different bidders as it deems necessary.
26
27 In order to manage the costs associated with such a large portfolio, the integrated CSB solution must
28 provide innovative measures to ensure portfolio growth is not the key driver of total cost. Vendor
29 incentives must be based on performing assets, rather than transaction or activity based delinquent
30 incentives. Costs may also be managed through redistribution of customers to self-service options.
31 Performance measures will help ensure that the complete CSB solution operates as efficiently and
32 effectively as possible and that it is achieving the desired CSB business outcomes. These measurements
33 will be flexible to allow for regular reviews and revisions as necessary.
34
35 To realize the Mission and Vision, the Core Team established Action Teams consisting of FSA
36 personnel chosen for their knowledge in the day-to-day detailed operations of each specific business
37 area. The Core Team tasked these Action Teams with reviewing the processes across their business
38 areas, identifying relevant information, documenting the details of each core business area, establishing
39 a comprehensive list of common functions, and identifying potential opportunities for improvement.
40
41 The Core Team also identified the following strategic objectives of the CSB initiative:
42 • Optimize Portfolio Management
43 • Provide Incentives for Reducing Delinquency and Default
44 • Integrate Systems and Data

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1 • Realize Operational Efficiencies and Reduce Cost
2 • Improve Tools for Servicing Student Aid Obligations
3 • Create Adaptability and Flexibility in Systems
4 • Improve Customer Service and Increase Self-Servicing Opportunities
5
6 These objectives aim to clearly identify the drivers of value associated with the work of the Action
7 Teams. To further help list the issues faced by SCM and guide the identification and analysis of
8 opportunities for improvement, the Core Team developed success criteria to guide the efforts of the
9 Action Teams. These strategic objectives were also used to help the Conceptual Design Team
10 formulate CSB's newly defined End State Vision (refer to Section 2.1) by means of establishing the
11 necessary business capabilities for CSB to achieve these objectives.
12

1.3 Integrated Technical Environment

14 The following is a list of Systems, Solutions, and Tools supporting FSA's Integration effort. This list is
15 not exhaustive of all systems used by FSA in its daily business operations. It is a list illustrating key
16 technologies FSA has committed to and invested in. The new CSB solution should be compatible and
17 compliant with these components of the FSA Integrated Technical Environment and, where possible,
18 incorporated in the proposed solution.

1.3.1 EAI Middleware Technology and Integrated Technical Architecture

20 Most FSA applications reside on a consolidated platform, in one central location, managed by a single
21 vendor. In order to manage the integration of this concentrated systems and data operational
22 environment, FSA has employed Enterprise Application Integration (EAI) Middleware Technology and
23 developed an Integrated Technical Architecture (ITA).
24
25 The EAI Middleware Technology provides the services necessary to support application integration
26 across the FSA Enterprise. By building the middleware architecture, modernized systems are able to
27 interact with legacy systems and FSA's applications are able to pull/push data from their sources
28 without having to build costly one-to-one interfaces.
29
30 The Integrated Technical Architecture (ITA) is a strategic component of the overall FSA enterprise
31 architecture. It comprises three core architecture domains: *Internet, Integration, and Infrastructure.* The
32 ITA provides a standardized, integrated, reusable infrastructure for enabling business capabilities to
33 reduce the number of custom-built, stove piped applications that are costly to update and maintain. A
34 priority of ITA is adding efficiency, scalability, and performance through effective environment build-
35 out, while accommodating all stages of application development. The ITA enables the successful
36 launch of FSA applications through performance testing by troubleshooting performance bottlenecks
37 and resolving issues.
38
39 The following diagram (Simplified Technical Architecture) outlines a simplified view of FSA's
40 Integration effort via its Integrated Architecture. This diagram represents a goal to provide seamless
41 interactions between customers and key access points to the data existing in applications.
42

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Simplified Technical Architecture
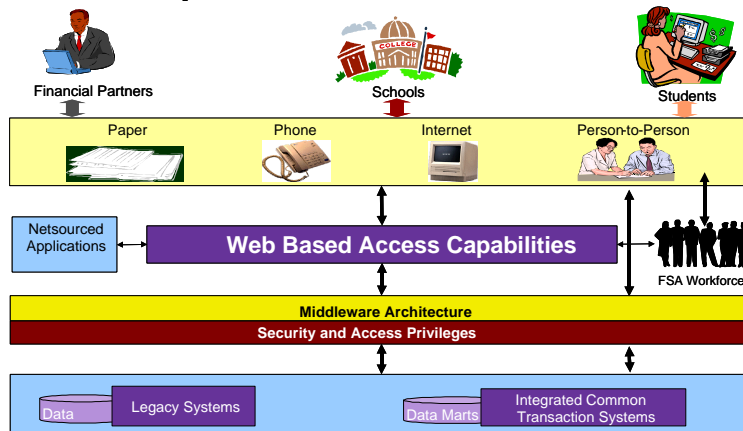
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2 Note: The Integrated Technical Architecture is represented by the Middleware Architecture and the Security and Access Privileges layer and
3 demonstrates the means by which data is pulled from systems and displayed or transmitted to FSA's customers.

4 **1.3.2 FSA Enterprise Assets**

5 The following Enterprise wide initiatives are currently in the planning stages. Once defined and
6 integrated, the CSB solution must comply with these initiatives.

7
8 *1.3.2.1 Routing ID (RID)*
9 The Routing ID (RID) is a FSA initiative that plans to provide the means to facilitate interaction with
10 FSA systems and services by providing a single identifier with which schools, third party services,
11 lenders, and state agencies -- among others -- can identify themselves to the entire enterprise.

12
13 *1.3.2.2 Common Student Identifier (CSID)*
14 The Common Student Identifier (CSID) seeks to establish a simple framework by which FSA and its
15 partners can consistently identify students/borrowers, across all phases of the Student Aid Lifecycle.

16
17 *1.3.2.3 XML Framework*
18 The Extensible Mark-up Language (XML) Framework represents a documented technical architecture
19 specification detailing FSA's data transfers with internal and external organizations. A common record
20 using the framework's guidelines will standardize these data transfers between systems. Using XML
21 technology to build the new common record, the need for static or fixed record layouts will be
22 removed.

23 **1.3.3 FSA Applications Outside of Student Credit Management**
24 The FSA environment consists of numerous applications that support FSA's core business functions.
25 The following sections describe these applications and provide a few fundamental examples of

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1   environments with which the CSB solution may have to interact. During the CSB build-out, the team
2   should be aware of these applications and their impact to gain a greater understanding of the other
3   systems and business functions supporting FSA's goals and objectives.
4
5   *1.3.3.1 Free Application for Federal Student Aid (FAFSA) on the Web*
6   Free Application for Federal Student Aid (FAFSA) is an application used by students and schools to
7   submit financial aid applications via the Internet. This web version of the FAFSA,
8   http://www.fafsa.ed.gov, now processes over 3 million electronic requests for financial aid and is on
9   target to process 6 million in the 2002-2003 Aid Award Year.
10
11   *1.3.3.2 Integrated Loan Origination & Disbursement Systems*
12   In 2002, FSA implemented a Common Origination and Disbursement (COD) (http://www.cod.ed.gov)
13   system to simplify the process for schools to obtain financial aid for their students. The application
14   provides for program integrity within FSA's loan origination and disbursement processes. The COD
15   solution supports a common process, platform, and record for FSA's participating schools to originate
16   and disburse Title IV federal aid funds. Using the Internet, COD allows participating schools to logon
17   to their accounts and, once verified, draw down funds to originate loans to students.
18
19   *1.3.3.3 PIN Site Processing*
20   FSA provides security to customer data via an FSA-issued PIN. By providing customers and other user
21   groups with this PIN, user access and capabilities are enhanced. Below is a listing of PIN site functions:
22   • Capture of an "audit trail" of PIN verification requests
23   • Several Web Pages that provide for:
24   o Borrowers to consent to electronic promissory note processing and the capability to
25   review and sign their notes
26   o Schools to enter parameters for their students using electronic signature notes
27   • An authentication process for borrowers/customers who need access to any CSB related
28   electronic service
29   • Improved trading partner handoffs for ready access to electronic notes when they are needed
30
31   *1.3.3.4 Electronic Signature Capabilities*
32   FSA has enabled Internet-based electronic signature capabilities for its customers to accept their loan
33   promissory notes by using an FSA-issued PIN, thus providing the ability to electronically sign and
34   accept loan notes. Furthermore, this initiative will comply, and be coordinated across all FSA business
35   channels, applying legislative standards for electronically signed documents and record retention.
36
37   *1.3.3.5 National Student Loan Data System (NSLDS)*
38   The Department of Education operates the National Student Loan Data System (NSLDS), a
39   comprehensive repository of Title IV student aid data obtained from schools, guaranty agencies, and
40   many internal FSA systems. This centralized database contains information on recipients and their
41   loans, Pell Grants, and overpayment and enrollment statuses. The key capabilities supported by
42   NSLDS include:
43   • Determining student eligibility for Title IV student aid – both pre-screening and post-screening
44   • Calculating default rates for schools, guarantors and lenders

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1   •   Supporting financial management activities including:
2   o   Budget formulation/execution and modeling
3   o   Reasonability of payments to guarantors and lenders
4   •   Tracking student enrollment status
5   •   Providing information to policy, research and other groups
6
7 This information is provided by many sources – both internal and external to the Department of
8 Education. NSLDS is not the system of record for any of this shared data. Given the importance of the
9 data stored on NSLDS, it is critical that the Department of Education and financial aid community have
10 confidence this information is accurate and timely and, when it is not, it can be corrected in a timely
11 manner.
12
13 *1.3.3.6 Web Portals – Simplified Customer Access*
14 FSA has a web portal with separate views for FSA's customer groups enabling authorized users to
15 access information, link to existing systems, and participate in the delivery and management of the
16 Federal student aid process. Each view is specific to the needs of FSA's core customer groups:
17   Students (http://www.studentaid.ed.gov)
18   Schools (http://sfa4schools.sfa.ed.gov)
19   Financial Partners (http://www.fp.ed.gov)
20
21 *1.3.3.7 Financial Management System (FMS)*
22 FSA's Financial Management System (FMS) uses Oracle Federal Financials to create a single,
23 centralized integrated financial management system for FSA. FMS's vision is to incorporate business
24 functionality across all program areas. The following characteristics represent FSA's FMS system:
25   •   Provide access to sufficient levels of data
26   •   Support FSA Channels, Enterprise areas, and Partners
27   •   Provide timely and consistent financial data for strategic decision making
28   •   Increase reporting capability across organization units
29   •   Provide appropriate security, controls and audit trails
30   •   Limit data and process redundancies
31   •   Comply with Legislative requirements
32 The CSB solution will need to provide FMS with appropriate data so as to maintain the current level of
33 financial reporting.

34 **1.3.4 FSA Applications within Student Credit Management**
35 The following descriptions of Mainframe Applications, Website Applications, and Data Mart
36 Applications represent the current operational environment of SCM applications. The goal of the CSB
37 initiative is to create a single integrated environment, which supports the business functions and
38 requirements defining the SCM arena.
39
40 *1.3.4.1 Mainframe Applications*
41 FSA currently operates four independent systems covering the repayment lifecycle of a student loan.
42 The Direct Loan Servicing System (DLSS) covers the servicing of Direct Loan student aid obligations up

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1   through 360 days of delinquency. At 361 days of delinquency, the defaulted debt is transferred to the [Deleted: loan]
2   Debt Management Collection System (DMCS) and Collections takes over and continues to service the
3   obligation while in default. In addition to DLSS obligations, the DMCS system also manages debt
4   assignments (both defaulted and non-defaulted) from other Education programs, such as Federal
5   Family Education Loan (FFEL), Perkins, and Pell Grants. The Loan Consolidation System (LC) works
6   with the above two systems, and FFEL lenders, to help borrowers better manage student aid
7   obligations by consolidating multiple loans into a single consolidated loan. The Conditional Disability
8   Discharge Tracking System (CDDTS) accepts assignments from FFEL guaranty agencies, DLSS, Perkins
9   schools, and DMCS for loans where the borrower may be eligible for loan discharge due to total and
10 permanent disability. CDDTS holds these loans for a conditional period of three years before the
11 discharge is permanently granted.
12
13 Currently, each of these systems maintains their own data sets and assumes autonomy within the
14 overall FSA data model structure. Furthermore, each of these systems is interconnected to the other
15 three via direct and indirect interfaces and passes data and information regularly via scheduled [Deleted: two]
16 transmissions. Extensive use of web technology and functionality provides customers with many self-
17 service opportunities.
18
19 The LC and DMCS systems are deployed within the Virtual Data Center (VDC) and can be made
20 available. CDDTS is operated by the vendor on its own systems and is not within the VDC. FSA has
21 paid for the development of the CDDTS software and it can be made available. FSA does not have
22 exclusive rights to the DLSS but does have an option to acquire a perpetual license to use the software.
23
24 *1.3.4.2 Website/User Interface Applications*
25 Each of the above systems, except CDDTS, provides access to business transactions via its website.
26 Each of these websites is owned by FSA. The individual websites provide tailored functionality based
27 on their specific user communities.
28
29 The DLSS Borrowers website functionality includes allowing borrowers to view their detailed account
30 information, complete Entrance and Exit Counseling, enroll in electronic services, and make online
31 payments, among others. The DLSS Schools website provides schools with resources and reports
32 designed to help them effectively manage their Direct Loan Program, including default information.
33 Schools are also given access to view certain information regarding the Direct Loans of their students.
34 The DLSS Department of Education Website is used by Repayment staff and contractor CSR staff and
35 provides read-only access to the information contained within the DLSS Borrowers website. The
36 Collections website provides student loan borrowers information regarding defaulted debt and the
37 different options available to be removed from a default status. No borrower specific information is
38 available. The FSA Collection Private Collection Agency (PCA) Support website provides support to
39 PCAs and Guaranty Agencies. The website contains a news area, defaulted debt information, PCA
40 support, and other information and tools that can assist PCAs and Guaranty Agencies. The Direct
41 Consolidation website offers borrowers on-line application submission, application status look-up, and
42 electronic signature through the use of the Department of Education-issued PIN. In addition,
43 participating lenders receive rosters associated with Electronic Funds Transfer (EFT) loan payoffs and,

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1 in April 2003, lenders will be able to retrieve, complete, and submit verification certification forms
2 electronically.
3
4 The websites for each of the systems are listed below (Please refer to *Appendix A* of this document for
5 further detail as to the current functionality supported on these websites);

- DLSS Borrowers (http://www.dl.ed.gov/)
- DLSS Schools (http://www.dl.ed.gov/schools/)
- DLSS Department of Education (http://www.dl.ed.gov/ed/)
- Collections (http://www.ed.gov/offices/OSFAP/DCS)
- Private Collection Agency (PCA)/Guaranty Agency (GA) Support
  (http://www.collections.sfa.ed.gov/)
- LC (http://loanconsolidation.ed.gov)

14 The eServicing initiative is part of the Integration Partner effort to Reduce Program Administration Costs and
15 Improve Products and Services to Provide Better Customer Service. eServicing focused on enhancing existing
16 Direct Loan Servicing capabilities. Through the eServicing initiative, the Direct Loan Website now includes
17 Electronic Bill Presentment and Payment/Electronic Correspondence (EBPP/EC) functionality. The EBPP/EC
18 portion of the initiative is an Internet based solution enabling Direct Loan borrowers to receive their bills and
19 correspondence via e-mail, repay their loans, and execute transactions on-line. In addition, there exists an
20 electronic Customer Relationship Management (eCRM) capability, which is a Siebel-based solution for the Call
21 Center Customer Service Representatives (CSRs). Together with a Computer Telephony Integration (CTI) plug-
22 in to the existing DLSS, the eCRM solution enables Direct Loan call center personnel to manage telephone calls
23 and customer relationships in an organized way and process real-time on-line transactions against the
24 existing legacy system.
25
26 *1.3.4.3 Data Mart Applications*
27 SCM operates two Data Marts, the Credit Management Data Mart (CMDM) and the Delinquent Loan
28 Data Mart (DLDM). These Data Marts serve as the foundation for providing SCM with a consolidated
29 view of the portfolio:

- The CMDM provides SCM and other organizations with tools to prepare comprehensive
  reporting for Direct Loan demographic information. CMDM also provides FSA's CFO and
  SCM reports on DLSS financial transactions.
- The DLDM aggregates and generates monthly reports of all delinquent Direct Loan borrowers.
  The DLDM is then used by individual schools to research their delinquent borrowers and begin
  default aversion activities.

36 In addition to consistent and repeatable reporting, these Data Marts provide a method to create new
37 and ad-hoc reports as analytic requirements change.

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In order to enroll in the EBPP/EC programs, the borrower must have a Department of Education-issued PIN. Borrowers enroll through the Direct Loan Servicing Website (http://www.dl.ed.gov). Upon enrollment, borrowers receive a bill summary and other correspondence in their e-mail account every month. The borrower has the ability to:¶
<#>Access their electronic bill 24/7 on-line as available¶
<#>View payment history for the past six months¶
<#>Schedule payments 24/7 online from a bank account of their choice¶
<#>Schedule future payments up to six months in advance¶
<#>Request to have their Direct Loan bill delivered through a third party (portal) site¶
<#>Make Direct Loan payments through the portal site¶
<#>Receive CSB Correspondence through the portal site¶
¶
eCRM is a software tool providing unique data presentations and processes. Under the eServicing initiative, eCRM was deployed to call center personnel receiving incoming phone calls at the Direct Loan Servicing Centers in Bakersfield, CA and Utica, NY. Coupled with the eCRM software tool is CTI. With CTI the call centers have the ability to authenticate callers with Department of Education-issued PINs and display individual borrower information without input from call center personnel. Using the eCRM tool, call center personnel may

9

2.0 Core FSA Business Objectives

The following sections detail the core business objectives of the CSB initiative. In fulfilling these objectives, the CSB solution must abide by all federal and state laws, regulations, and Department of Education interpretation of those regulations.

2.1 CSB End State Vision

The following diagram depicts the targeted end state vision for an integrated CSB environment:

Paper	Call Center(CSR)	IVR	Web
CRM/Customer Interaction			

Portfolio/Risk Management

Payment Processing

Recovery & Resolution

Transaction

Performance Management

Data Management

Fulfillment

Processing

Document Management

Program Management

2.2 CSB Functional Requirements

The CSB solution will be the vehicle to realize the End State Vision. Each of the following ten components of the CSB End State Vision represents a business function that must be fulfilled by the CSB solution:

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2.2.1 Data Management

Data Management is at the heart of the CSB End State Vision. Effective Data Management, including financial data, will be an integral part of the CSB solution and will be key to its success. Data

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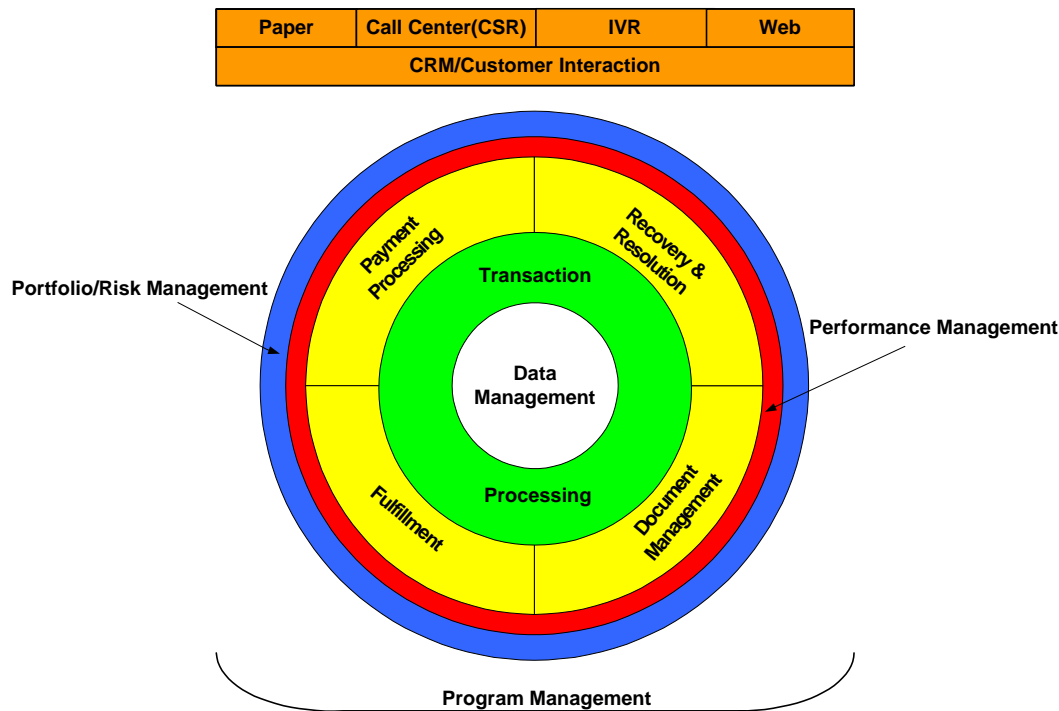
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1 Management will consist of an integrated, FSA–wide effort to manage and coordinate all common data
2 such as demographic data including, but not limited to, name(s), account identifier(s), address(es),
3 phone number(s), and email address(es). Financial data includes, but is not limited to, principal
4 balance, disbursement amount(s), incentives, and capitalized interest across the system. Other types of
5 data will be supported and maintained by CSB. This includes the ability to update and display
6 institutional data (i.e., schools, guarantors, lenders, PCAs, etc.). The data will come from both FSA and
7 external sources and may be received as frequently as daily.

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8
9 The Data Management component of the CSB solution must include a common language, which will
10 result in a common record format and definition within the system. The common record must contain
11 consistent data. Careful replication of the data will be necessary in order to avoid illogical data
12 duplication.
13
14 The quality, accuracy, and integrity of the data within the system must always be maintained. In order
15 to achieve this, validation must take place. Examples of such validation include skip tracing borrowers
16 (see *Appendix F* for skip tracing entities) to ensure the addresses and phone numbers on file are up to
17 date, and creating and analyzing internal reports, monitored and maintained in an organized system,
18 to ensure the consistency of the data across the system. The consistency of the data must be both
19 reconcilable and auditable, thereby allowing the CSB solution to serve as a principal System of Record.
20
21 Due to the sensitive nature of the information contained within the SCM portfolio, a detailed security
22 plan must be included in the CSB solution. A number of individuals will require access to the
23 information contained in the system for a variety of reasons such as providing customer service,
24 developing and testing new functionality, and analyzing data for portfolio management, querying
25 upon the database for reporting and analysis, among others. These individuals must only be given
26 access to the information deemed appropriate for their job responsibilities and level of security
27 clearance.
28
29 Data Management will also include a high degree of integration between the business functions within
30 CSB, including but not necessarily limited to, Servicing, Consolidation, and Collections. The CSB
31 solution will provide seamless interaction between these business functions. In addition, the solution
32 will integrate with several major FSA initiatives related to data strategy, including the Enterprise
33 Application Integration (EAI) Bus, the XML Framework, Routing Identifier (RID), and the Common
34 Student Identifier (CSID), among others.
35
36 The CSB solution will support interfaces with at least all existing trading partners such as the National
37 Student Loan Data System (NSLDS), Common Origination and Disbursement (COD), Department of
38 Treasury, FSA's Financial Management System (FMS), Payment Lockbox(es), Internal Revenue Service
39 (IRS), Health and Human Services (HHS), Credit Bureaus, FFEL lenders, and Private Collection
40 Agencies (PCAs), among others. Data will be shared and transferred with the trading partners in order

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41 to appropriately consolidate, service, and collect on the student aid obligations on the system. At a
42 minimum, all reconciliation that is currently performed with the various trading partners will be

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43 necessary in the CSB solution as well.
44

1 Due to the size of the SCM portfolio, the CSB solution will require a well-planned data archiving and
2 storage strategy, addressing both paper and electronic records. The ability to archive and retrieve that
3 data will be key as the SCM portfolio grows and matures, and loans and other debts are paid off or
4 otherwise discharged. Archiving the appropriate data will enable system-processing time to remain at
5 acceptable levels. Archiving and storing the appropriate data should serve as one aspect of thorough
6 capacity planning.
7
8 The CSB solution will need to include an extremely comprehensive and demonstrated data recovery
9 strategy that includes an annual disaster recovery exercise per federal regulations.   This strategy must
10 support business resumption should any type of disaster occur and meet defined standards for system
11 availability and response time.

12 **2.2.2 Transaction Processing**

13 The CSB solution will include an integrated information delivery, account maintenance, and financial
14 management environment capable of properly managing any type of student aid obligation. For every
15 business event that occurs on an account, a transaction will be processed. Transactions will include,
16 but will not be limited to:

17 • **Loan Booking and Set-up** – This category consists of all transactions that are necessary to
18   receive a loan/disbursement record and set-up an account for any type of student aid
19   obligation, including assigned debt. Loan Booking and Set-up also consists of all of the steps
20   involved in the consolidation of student aid obligations into and within the SCM portfolio.
21   These steps include application receipt and review, credit checks where appropriate, Income
22   Contingent Repayment (ICR) processing, identifying and continued tracking of underlying
23   loans, loan verification/certification, loan holder payoff, over and under payment processing,
24   consolidation set-up, and supplemental loan processing.

> **Deleted:** including Direct Loans, assigned defaulted loans, rehabilitated loans, and any other type of student aid obligation.

25 • **Financial Transactions** – This category consists of all financial activity that occurs on borrower
26   accounts, including disbursements, disbursement adjustments, disbursement cancellations,
27   daily interest accrual, application of incentives, capitalization of interest, payoff receipt, balance
28   certifications, debt write-offs, collection costs, refunds for overpayment, drawdown requests,
29   handling of excess cash, and other balance or account adjustments as necessary.
30 • **Accounting Activities** -

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31 • **Demographic Updates** – This category consists of all changes to borrower demographic
32   information, including borrower, co-maker, and endorser name(s), account identifier(s) such as
33   SSN, address(es), phone number(s), e-mail address(es), payment plans, and all other required
34   borrower attributes.
35 • **Status Updates** – This category ensures that all borrower accounts are maintained with
36   appropriate status codes to trigger other business events. Examples include in-school, in-grace,
37   in-military, in repayment, delinquent (various stages), and default. This category also
38   encompasses the processing of enrollment status updates received for students (i.e., SSCRs from
39   NSLDS).

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40 • **Entitlement Reviews/Decisions** – This category consists of the proper review, due diligence,
41   decision-making, application, and tracking of various student aid entitlements, including
42   eligibility for, and the time accumulated within that entitlement type. The CSB solution will be
43   able to process all entitlements for appropriate loan types. The entitlements include various

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1   deferments, forbearances, and conditional and permanent loan discharges (Death, Disability,
2   Bankruptcy, Closed School, Loan Forgiveness, Ability-to-Benefit, Unauthorized Signature,
3   Unpaid Tuition Refund, Litigation, etc.).
4   • **Generate and Track Correspondence** – This category includes both the automatic and manual
5   events that will trigger the fulfillment process (electronic and paper) for bills, letters, statements,
6   forms, applications, brochures, and notices. Actual examples of CSB correspondence include,
7   but are not limited to, 1098-E, 1099-C, Annual Statements, Disclosure Notices, Consolidation
8   Account Statements, and Gramm-Leach-Bliley Privacy Notices.
9   • **Apply Borrower Payments, Third Party Payments, and Process Exceptions** – This category
10 consists of the posting of all payments, including exceptions and third party payments received
11 into the SCM portfolio in an accurate and timely fashion. The posting of processed payments
12 will include retroactive processing, or payment reapplication to ensure that borrower balances
13 are fully accurate. Appropriate tracking and reporting of payment information will be
14 required, including the payment histories related to conditional discharges.
15 • **Data Exchange and Maintenance** – This category consists of all transactions that support the
16 transfer of data and/or images between entities, including reconciliation between the CSB
17 solution and all external interfaces, and loan balance verification between COD and the CSB
18 solution. These interfaces may include credit bureaus, the National Student Loan Data System
19 (NSLDS), the Internal Revenue Service (IRS), and the National Directory of New Hires,
20 (NDNH), Guaranty Agencies (GA), Schools, among others. The CSB solution must include the
21 ability to manage the process for reviewing and processing defaulted FISL loans received from
22 participating lenders. This category also includes the maintenance of critical data and
23 parameters required to properly manage student aid obligations including variable interest rate
24 tables, entitlement limitations, and other regulatory items.
25
26 Due to the size of the SCM portfolio, the CSB solution will need to process a significant volume of both
27 batch and online transactions from multiple sources, including CSRs, the Internet, and trading
28 partners. All transactions will include the accurate and timely gathering, computing, and
29 transformation of incoming data and accurate and timely posting to appropriate borrower accounts.
30 All transactions will undergo a verification process to identify, limit, and resolve errors and document
31 a detailed audit trail for customer service, staff support, risk management, and portfolio management.
32 The CSB vendor shall implement and present to FSA corrective action to prevent future errors from
33 occurring when it discovers multiple errors of the same type. The CSB vendor must keep FSA
34 informed of any known processing problem.
35
36 Transaction Processing will also trigger other events in the CSB solution, such as correspondence
37 generation, and internal and external reports. This includes timely and accurate reporting and
38 reconciliation with the Financial Management System (FMS), FSA's accounting system, according to
39 FMS and FSA standards.
40
41 All interface transactions must meet and align with other FSA standards, as well. These standards
42 include transaction formats and layouts, edits, header and trailer records, personnel to monitor and
43 resolve discrepancies, telecommunications, system balancing, reconciliation, and timing. The CSB

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1 solution will maintain a timely and accurate data exchange with all trading partners and ensure that
2 proper error resolution procedures are in place and function as needed.

3 **2.2.3 Payment Processing**

4 The CSB solution will include a Payment Processing component that is integrated with the other
5 components of the CSB End State Vision. Payment Processing consists of methods for the receipt and
6 processing of both automatic payments (electronic debiting and Internet payments) and payments
7 received with a corresponding payment coupon (via a lockbox) using standards established by the US
8 Department of Treasury and the US Department of Education (ED). Payments (manual and electronic)
9 received from third parties (i.e., CheckFree, Department of Justice, Lockbox, Electronic Debit Account
10 (EDA) Vendor, Department of Treasury Clearinghouse, United States Postal Service (USPS), and Credit
11 Card Vendors) will need to be posted to proper accounts using the appropriate payment manifest,
12 when applicable. In addition, the CSB vendor must provide the ability to perform special payment
13 processing and handling for checks drawn on foreign banks and checks with special endorsements or
14 instructions.
15
16 The CSB Payment Processing component must be both timely and accurate. Payments will be posted
17 to the appropriate account effective on the date they are received. They must be posted to borrower
18 accounts in an expedient manner. A method will be established to handle all types of exception
19 processing to ensure the timely posting of exception payments. Exceptions include unidentified
20 payments, misapplied payments, etc.
21
22 In addition, as mentioned in Section 2.2.2 of this document, requirements exist for payment posting
23 and accounting. The posting of processed payments will include application of payments in the order
24 outlined in payment allocation regulations (currently defined as fees, charges, interest, and principal).
25 The posting process may also involve retroactive posting or payment reapplication to ensure that
26 borrower balances are fully accurate. Summary deposit information must be recorded and reconciled.
27 All payments will require sending timely and accurate information to FSA's Financial Management
28 System (FMS) according to FMS and FSA standards.

29 **2.2.4 Fulfillment**

30 The CSB solution will incorporate a standard Fulfillment component for all CSB correspondence
31 (please see Generate and Track Correspondence in Section 2.2.2 – Transaction Processing), thereby
32 creating a consistent look and feel for CSB correspondence. The focus of the CSB Fulfillment solution is
33 to provide prompt printing and distribution of CSB correspondence, to allow for a timely response
34 from the customer, both in paper and electronic formats. This also includes the preparation, storage,
35 and distribution of inserts, stuffers, brochures, and envelopes, etc. that are sent to the borrowers. In
36 providing prompt printing and distribution of CSB correspondence, the CSB solution will minimize
37 mail time and maximize the associated postage discount wherever possible. In addition, the CSB
38 solution will minimize the overall volume of correspondence wherever possible.
39
40 As part of the CSB Fulfillment component, a detailed record of correspondence sent to borrowers will
41 exist. This detailed record will provide an accurate history for customer service. In addition,

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1 information from the detailed record will be provided as an input for portfolio management purposes
2 and will be provided to other entities as required.

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2.2.5 Document Management

4 The CSB Document Management component will provide a centralized repository for all images and
5 warehousing for all CSB related documentation, whether paper or electronic. The image repository
6 will enable real time access to all images within the SCM portfolio from anywhere at anytime. The CSB
7 Document Management component will scan and index the images into the centralized repository for
8 storage. Access to images will be granted via a user profile and will be secured via an authentication
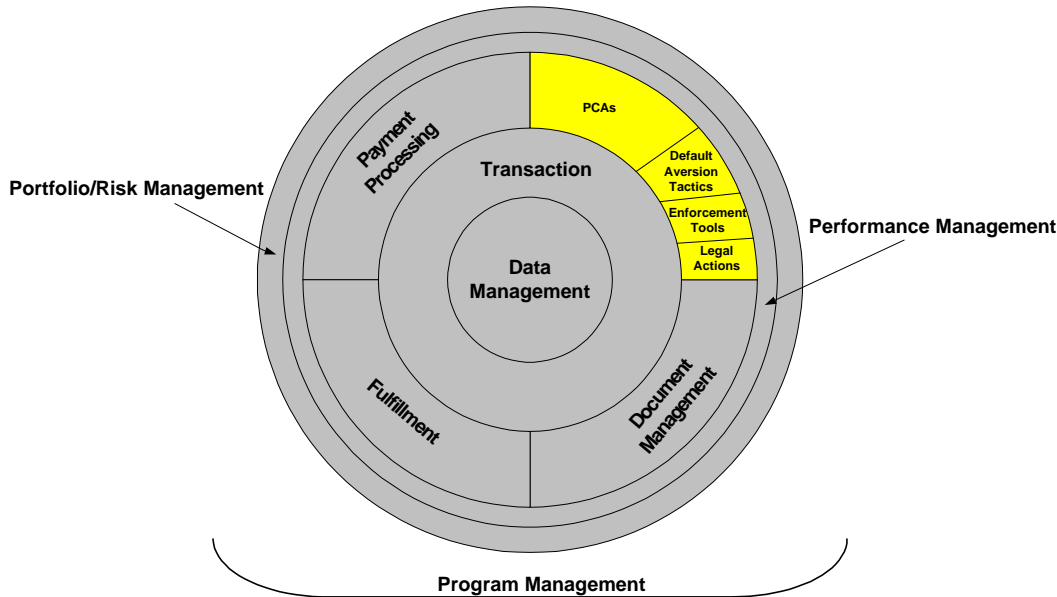9 process.
10
11 The CSB solution will allow for workflow processing by intelligently routing document images to the
12 appropriate processing locations thereby avoiding lost images and ensuring timely processing. The
13 solution will also provide a paperless environment that is in compliance with the US Government
14 Paperwork Reduction Act.
15
16 Another important factor of this component of the CSB solution is to comply with FSA document
17 retention policies, as described in the US Department of Education Records Disposition Schedules.
18 These policies are in place to ensure an acceptable version of the document can be accessed as needed
19 for borrower references, collections activities, and legal action, among others. This component will
20 encompass the execution of the data archiving and storage strategy established as a part of the Data
21 Management business function. Archiving the appropriate data will enable system-processing time to
22 remain at acceptable levels as well as complying with retention policies.

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2.2.6 Recovery and Resolution

Paper	Call Center(CSR)	IVR	Web
CRM/Customer Interaction			

3
4 Recovery and Resolution is a key component of the CSB End State Vision. In order to manage a
5 successful portfolio there must be an effective method in place for recovering outstanding debts and
6 resolving any issues related to such outstanding debts. Resolution may include transferring the debt to
7 lenders, guaranty agencies, schools, and other agencies, as appropriate. Various repayment plans and
8 options, including Income Contingent Repayment (ICR) are required.
9
10 The largest and most important aspect of Recovery and Resolution in today's environment and
11 mandated in the future CSB environment is the complete and thorough outsourcing of collections on
12 defaulted debts to private collection agencies (PCAs). To that end, the CSB provider must provide a
13 system solution to manage the process of allocating defaulted debts and similar activities to PCAs. All
14 defaulted debts assigned to PCAs must be tracked and pre-defined performance measures captured in
15 order to determine the success of the assignment as well as the success of the particular PCA.
16
17 The CSB solution must provide the ability to return delinquent debts to a current status. This may
18 possibly be accomplished through the use of third party placements at various stages of delinquency.
19 All delinquent debts placed with third parties must be tracked in the same manner as defaulted debts.

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1   Another method for returning delinquent debts to a current status is through the use of default
2   aversion tactics including phone calls and statements to delinquent borrowers, skip tracing to obtain
3   good addresses for borrowers, the processing of entitlements for those who are eligible, and grace and
4   repayment counseling, to name a few. Records of third party activity (i.e., contacts and
5   communications) must be available for other uses (i.e., customer service, litigation, etc.).
6
7   Another key feature that the CSB solution must provide is the ability to resolve defaulted debts
8   through a variety of methods. Any defaulted borrower who is willing to make the required number of
9   consecutive payments must be given the option to rehabilitate or consolidate their defaulted debt. The
10 CSB solution must assist ED in managing the process for automated tracking and transfer of
11 Rehabilitated and Direct Consolidation Loans to a non-default status. The CSB solution must assist ED
12 in managing the process for the packaging and sale of FFEL Rehabilitated loans to eligible FFEL
13 program lenders, when appropriate. For those borrowers who are not willing to make the required
14 number of consecutive payments, the ability to use appropriate enforcement tools is required. Such
15 enforcement tools include Administrative Wage Garnishment (AWG), Treasury Offset Program (TOP),
16 Federal Salary Offset (FSO) Program, and Department of Justice referrals, among others.
17
18 The CSB solution must handle the processing of general bankruptcy claims and adversary proceedings
19 in bankruptcy. This will be accomplished through working in conjunction with the US Department of
20 Justice, or another operating partner that may be selected to handle the routine processing (i.e., locating
21 the accounts, annotating histories, providing account histories, responding to correspondence, etc.) of
22 bankruptcy related documents for all borrowers within the SCM portfolio. In addition, the CSB
23 solution must provide the necessary support required by the individual(s) responsible for handling the
24 case(s). When the bankruptcy process defines repayments agreements, the CSB solution must be able
25 to handle the requirements of those settlements. Similar support and flexibility must be available for
26 other types of adversary proceedings, hearings, and litigation. These proceedings may include various
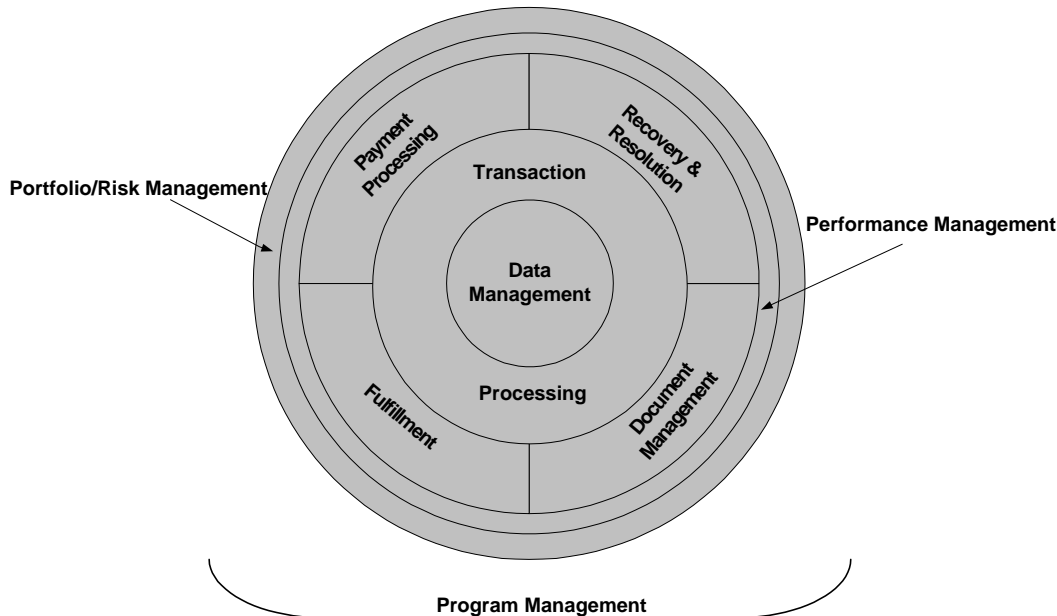27 discharges, AWG, and TOP, among others.

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2.2.7 Customer Relationship Management (CRM)/Customer Interaction

Paper	Call Center(CSR)	IVR	Web
CRM/Customer Interaction			

The CSB solution must include CRM/Customer Interaction tools and processes. These operations must include the handling of both inbound and outbound phone calls from borrowers and other student aid participants. The CSB solution must also process all incoming paper and electronic mail, and send appropriate paper and electronic correspondence. Other CRM/Customer Interaction tools include an Interactive Voice Response (IVR) system and a CSB Website. The tools, processes, system(s), and components of the CRM/Customer Interaction solution must be integrated with the "back office" functions of the CSB solution. In addition, the CRM/Customer Interaction solution must integrate with business processes of the front end of the student loan lifecycle, such as aid awareness and FAFSA processing. This interaction may include data sharing, call center warm transfers, Web links, and informal communications in an effort to integrate the relationship with other customers across the entire loan lifecycle.

A core tenet of the CRM/Customer Interaction solution will be providing CSB customers with a consistent experience and accurate answers across all interaction channels, contact points, and services.

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1 Customers should feel that they are receiving fully integrated high quality customer service,
2 correspondence, and self-service opportunities without obvious or disruptive hand-offs. In order to
3 ensure this experience, the CSB solution must have both formal and informal customer satisfaction
4 measurement and reporting capabilities through surveys, feedback solicitation, and other methods. To
5 ensure complete and thorough results, customer satisfaction should be measured and reported for all
6 interaction points, regardless of borrower status or standing. The customer satisfaction measurements
7 must be valid, valuable, and properly structured for reporting purposes. As required, the appropriate
8 Office of Management and Budget (OMB) processes must be utilized in the creation of specific surveys.
9 FSA stakeholders should be involved throughout the customer satisfaction process, especially during
10 periods of evaluation of the measurements to determine if the measurements need to be modified
11 and/or updated.
12
13 *2.2.7.1 Paper*
14 The CSB solution must properly handle and track all incoming mail quickly and efficiently. The CSB
15 vendor(s) will have standard processes and procedures ensuring that all customer questions are
16 answered, all requests are appropriately researched and handled, all forms and applications are
17 imaged and processed in accordance with the Document Management Strategy, and all issues and
18 customer complaints are resolved expeditiously. The CSB vendor must also establish and follow
19 procedures for the handling of misrouted mail to avoid unnecessary delays in processing.
20
21 The CSB solution will facilitate CSRs in generating and re-generating correspondence to various
22 student aid customers. This correspondence may include standard bills, forms, statements,
23 applications, letters, and notices, as well as custom correspondence in response to Control Mail, such as
24 Congressional letters and escalated issues (i.e., non-controlled mail such as balance disputes, hardship
25 claims, claims of erroneous default, etc.). To facilitate the creation of custom correspondence, the CSB
26 vendor(s) must provide knowledge management tools, such as a central repository of commonly used
27 responses. This will permit CSRs to provide accurate and consistent answers in a timely manner. All
28 correspondence sent to customers must adhere to "plain language" standards. The CSB vendor(s)
29 must have the ability to provide prompt, courteous, and accurate responses to customer
30 correspondence in the appropriate language. The minimum expectation is for the CSB vendor(s) to be
31 able to respond in either English or Spanish, whichever is appropriate to the customer.
32
33 *2.2.7.2 Call Center (Customer Service Representative)*
34 The CSB vendor will be responsible for building and running a call center environment. To do this,
35 they must provide the necessary hardware, software, personnel, and interfaces with the appropriate
36 telecommunications as required by the Federal Technology Service FTS2001 program. The call center
37 environment must include capabilities for servicing, consolidation, and recovery of any type of student
38 aid obligations. The CSB vendor(s) will be expected to supply trained personnel to perform and
39 support, as appropriate, all of the requirements of the CSB solution. This includes both the Functional
40 and Ancillary Requirements described in this document. Within the Functional Requirements, this
41 includes both the front and back office functions. The Call Center(s) is expected to be staffed with
42 resources focused upon all of the necessary customer interaction (front office) tasks. These resources
43 are typically referred to as Customer Service Representatives (CSRs). However, also housed within the
44 Call Center(s) may be the staff required to support all of the related back office processing. Together ,

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1   this staff should be able to perform functions such as processing transactions (i.e., demographic
2   updates and account indicator changes, which must be applied in line with all applicable policies and
3   procedures), generating correspondence, faxing forms per customer requests, providing student aid
4   counseling, answering inquiries about student aid programs and entitlements, escalating issues,
5   resolving customer complaints, transferring calls, and referring calls to other sources of information
6   (Internet, IVR, COD, schools, etc). This staff must also have the ability to respond appropriately to
7   different types of customer requests. The minimum expectation is for the CSB vendor(s) to be able to
8   respond in either English or Spanish, whichever is appropriate to the customer.
9
10   CSRs must be able to provide accurate responses to inquiries from customers (i.e., students, borrowers,
11   schools, FSA, Guaranty Agencies, other agencies, etc.) about the CSB portfolio in a timely manner,
12   according to Privacy Act guidelines. Topics include, but are not limited to:
13   • Repayment options
14   • Repayment amounts and timeframes
15   • Deferments and forbearances
16   • Interest capitalization
17   • Collection steps and consequences on non-payment
18   • Available literature, forms, and related instructions
19   • Rules governing application of payments
20   • Remittance information
21   • Loan payment history
22   • Loan status
23   • NSLDS Loan History
24   • Consolidation loans
25   • History of collection activity, correspondence, status changes, and other loan activities
26   • Basic question regarding other student loan programs
27
28   In addition, the CSB Call Center(s) must also operate as the outbound call center for the recovery of
29   delinquent and defaulted debts not assigned to PCAs or other third parties. The CSB vendor(s) will be
30   required to follow appropriate due diligence procedures before delinquent debt can be defaulted.
31   Processes and procedures for handling returned calls must be established, maintained, and revised as
32   necessary to maximize all opportunities to recover student aid obligations.
33
34   The CSB solution will be the System of Record (SOR) for all CSB customer contacts. This information
35   will be stored in a detailed history that is a single record of communications available for litigation
36   support, bankruptcy support, and decision making for hearings, as well as providing a holistic view of
37   all interactions with each customer. A borrower's history record must be maintained during periods of
38   third party activity.
39
40   As discussed in Section 1.3.4.2 of the document, FSA maintains a Siebel-based solution for the Direct
41   Loan Servicing Call Center CSRs handling inbound calls, together with a Computer Telephony
42   Integration (CTI) plug-in to the existing DLSS enabling Direct Loan call center personnel to manage
43   telephone calls and customer relationships in an organized way. This asset is available to be leveraged
44   as part of the CRM/Customer Interaction solution. If the CSB vendor(s) feels that another product

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1 would better serve the CRM/Customer Interaction function, alternatives may be presented to FSA for
2 consideration and review.
3
4 The CSB solution is expected to meet numerous operational metrics that support the business outcomes
5 of CSB. These may include, but are not be limited to, call center hours, average hold time, percentage
6 of calls dropped, average call length, debt recovery rates, and customer service scores.
7
8 The CSB vendor(s) must support the toll-free telephone number(s), as provided by FSA under FTS2001,
9 for borrowers and schools that allow IVR, automated routing, and mechanisms that keep dropped,
10 abandoned, and blocked calls to a minimum. All telephone calls should be answered within industry
11 acceptable time frames and CSRs will be equipped with tools allowing them to resolve most telephone
12 inquiries in a reasonable amount of time. Only unique and infrequent issues should necessitate call-
13 backs. The CSB solution must also maintain a record for use in loan servicing of all pertinent
14 information obtained through CRM/Customer Interaction.
15
16 As an alternative to the frequent back and forth normally associated with CSRs and paper
17 correspondence, the CSB vendor must allow borrowers the ability to access and use an Interactive
18 Voice Response Unit (IVR) and a comprehensive website that provides a number of self-service
19 options. By providing high quality IVR and Web self-service options, back and forth and person-to-
20 person interactions will be limited to times when they are truly necessary.
21
22 *2.2.7.3 Interactive Voice Response (IVR)*
23 The toll-free number(s) used by the CSB Call Center must also accommodate a customer friendly IVR
24 for customer service and cost efficiencies. Once a customer has been properly identified and
25 authenticated through their FSA PIN, this technology should present customers with a vast array of
26 self-service options including demographic updates, payment plan changes, payoff quotes, balance
27 information, payment history, consolidation loan application status, etc. The minimum expectation is
28 for the CSB vendor(s) to present these options in either English or Spanish, whichever is appropriate to
29 the customer. Accessible logs must be maintained that detail all IVR contact and self-service activities.
30 The IVR should also provide information to customers about the CSB Website and its capabilities and
31 route borrowers to appropriate CSRs or queues when necessary based on menu choices. While the IVR
32 capabilities should be extensive, it will be important that the IVR script be understandable and that the
33 IVR can be quickly and easily navigated to ensure that customers do not drop off before their
34 interaction has been completed. Customers should be able to access the services they need with as little
35 effort as possible.
36
37 *2.2.7.4 Web*
38 Internet technology is a valuable tool that has been leveraged in support of meeting some of FSA's
39 objectives. Various types of web capabilities are currently available, such as Electronic Bill Presentment
40 and Payment (EBPP), Electronic Correspondence (EC), electronic forms submission, real-time
41 demographic changes, electronic consolidation loan application, electronic promissory note signature,
42 application status lookup, lender payoff roster retrieval, electronic certification verification, and
43 defaulted debt information, among others. Such capabilities allow for the continual expansion of self-
44 service for borrowers and other customers. The CSB solution will include a CSB Website that

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1 integrates all components of the End State Vision for the entire CSB portfolio. The CSB Website will
2 not include functions outside the CSB End State Vision, such as aid awareness and FAFSA processing.
3
4 The CSB Website must support an intelligent, user-friendly, and fully e-enabled environment. The
5 minimum expectation is for the CSB vendor(s) to present this environment in either English or Spanish,
6 whichever is appropriate to the customer. The website must allow customers to retrieve information,
7 process transactions, receive answers to questions, and resolve issues without the need of a phone call.
8 The CSB Website will also allow customers to send e-mails that will be answered by CSRs in
9 accordance with Privacy Act regulations. All self-service activities and e-mail contact will be detailed
10 in appropriate logs. The structure of the website will allow FSA to affect and control collaborative
11 content changes with ease. The functionality and content of the current Direct Loan Servicing
12 Borrowers, Schools, and Department of Education Websites, Direct Loan Consolidation Website
13 (includes functionality for borrowers, lenders, and schools), FSA Collections Website, and the
14 PCA/Guaranty Agency Support Website may be used, as they are FSA-owned assets (Please refer to
15 *Appendix A* of this document for further detail as to the current functionality supported on these
16 websites). The CSB Website must integrate closely with and be quickly and easily accessible from
17 FSA's existing Students Portal.
18
19 The CSB Website will comply with all appropriate federal regulations, including Section 508 of the
20 Rehabilitation Act, in addition to using FSA's PIN functionality for customer authentication. The CSB
21 Website will also comply with FSA's Security Policies and include multiple customer access points and
22 security levels, based on the customer role. Examples of website customers/roles include:
23 • Borrowers
24 • Parents
25 • Schools
26 • FSA Personnel (Ombudsman, Client Account Managers (CAMs), Customer Service
27   Representatives (CSRs), etc.)
28 • Guaranty Agencies (GAs)
29 • Private Collection Agencies (PCAs)
30 • Others
31
32 The CSB Website will contain accurate and current data and have the capability to push reports,
33 messages, correspondence, statements, etc. to various customer types based on role, specific business
34 events, and other criteria. It will also support the generation of reports and statistics, as well as
35 techniques, such as the existing survey tool in Servicing, for the scheduled and ad-hoc gathering of
36 customer feedback by FSA for the purpose of continuous improvement. Interfaces with existing
37 trading partners will be maintained and the ability to expand and add new interfaces must exist. Data
38 and other information on the site will be available real-time, with system availability and response
39 times well within industry acceptable levels. In addition, the site will be scalable to allow for future
40 evolution of web capabilities and portfolio growth with little effort required.

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1 **2.2.8 Performance Management**

2 Performance Management establishes, verifies, and validates the results of the other components of the
3 CSB End State Vision. The Performance Management component includes the continued support of
4 business outcomes, operational metrics, and quality management.

5

6 The CSB vendor and FSA will agree to specific performance standards and metrics for achieving
7 desired business outcomes and ensuring quality performance through a detailed reporting mechanism.
8 The CSB vendor shall always conduct themselves as an agent of the U.S. Department of Education and
9 shall not embarrass the government. This requirement implies that, at a minimum, the CSB vendor
10 will immediately notify ED of any problems, issues, or concerns with customer service, production,
11 security, budget, audit, etc. The CSB vendor will be accountable for contract performance, specifically

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12 as it relates to the financial, personnel, technical, and client relationship aspects of the contract. FSA
13 will regularly review the business outcome metrics and develop and execute action plans to ensure
14 continuous improvement.

15

16 The CSB solution will include operational metrics supporting the achievement of FSA's goals. This
17 includes capacity planning and performance of the system(s) comprising CSB. As part of the CSB
18 capacity plan, a strategy will be created that addresses the scalability of the system(s). This will allow
19 the components of the CSB solution to easily adapt to changes in system usage patterns. Operational
20 metrics will also regulate the performance of the CSB components by identifying and applying
21 industry best practices, including industry acceptable response times and system availability. The CSB
22 solution will also incorporate Virtual Data Center (VDC) performance metrics.

23

24 An important piece of the CSB solution is quality management, as all components of the End State
25 Vision will need strict guidelines for quality assurance and quality control. These quality guidelines
26 will ensure the stability and reliability of the data, technology, and processes comprising the CSB
27 solution. These guidelines will be reviewed and revised on a regular basis to ensure all quality
28 expectations are met. The CSB solution provider must also ensure timely responses to the different
29 entities that have relationships with SCM. These entities include borrowers, PCAs, GAs, schools,
30 trading partners, and credit bureaus, among others. This also includes Office of the Inspector General
31 (OIG), General Accounting Office (GAO), and external audit requests, investigation support for OIG,
32 Department of Justice (DOJ), etc., and requests received as a result of the Freedom of Information Act
33 (FOIA). Strict guidelines will be enforced to ensure that the best available support is given in a timely
34 manner for all federal reporting requirements, especially audit requests.

35

36 The CSB vendor must perform cost accounting at various levels, as determined by FSA. This cost
37 accounting will include, but is not limited to, program (Direct Loans in repayment, defaulted Direct
38 Loans, defaulted FFEL Loans, etc.), borrower, and loan. This information must be provided as support
39 documentation for invoicing, whether in the form of management reports or another vehicle. One
40 example of a cost accounting model is activity based costing. This cost accounting is necessary in order
41 to facilitate the extensive audit requirements of the Federal Government.

42

43 The Department has indicated a potential interest in either the securitization or sale of the Direct Loan
44 portfolio. Under both scenarios, servicing could remain within CSB or the securitized or sold loans

1 could be transferred to the Servicer of the purchaser. While no decision regarding the securitization or
2 sale of all or part of the existing Direct Loan Portfolio or of new Direct Loans has been made, such a
3 decision would require specific accounting and reporting to support the potential for sale or
4 securitization. The CSB solution must provide this support.
5
6 Reviews of business outcomes, operational metrics, and quality management will be performed
7 regularly. The CSB vendor will report metrics to a secure website. Performance management will be
8 an iterative process that will evolve as business outcomes, performance metrics, and quality
9 management are updated to align with FSA's goals. FSA may secure an Independent Validation and
10 Verification (IV&V) vendor to work with and validate reporting to FSA.

2.2.9 Portfolio/Risk Management

12 The objective of Portfolio/Risk Management is to mitigate risk associated with federally funded and
13 federally insured student aid obligations. The ability to analyze the CSB portfolio data across all CSB
14 functions is a critical part of that mission. Analyzing and mining the portfolio data can be done using
15 data analysis tools, like FSA's existing Microstrategy access to the Credit Management Data Mart
16 (CMDM). This will allow FSA to identify patterns and relationships among the portfolio data.
17
18 Currently, CMDM is a data mart for Direct Loans only and it must be augmented with additional data
19 to provide information about the entire SCM portfolio, for example consolidation loan information and
20 defaulted borrowers. Data mining the CSB portfolio supports FSA's efforts to continue to reduce
21 cohort and lifetime default rates in the Federal student loan portfolio. The CSB vendor should be able
22 to receive, process, and respond to cohort default rate challenges and appeals from schools. Data
23 mining for student aid obligations presents unique difficulties because of the complex nature of the
24 student aid obligation life cycle, such as borrowers that change schools (Please refer to *Appendix B* of
25 this document for a detailed description of the functionality currently supported by FSA's Data Marts).
26
27 This CSB solution must include continuous innovation by providing new tools (i.e., predictive
28 modeling, enhanced data mining tools, etc.) to support the FSA objective of Portfolio/Risk
29 Management of federally funded and federally insured student aid obligations. Each of these tools will
30 give FSA the best information available to create action plans for continuous improvement.

2.2.10 Program Management

32 Lastly, the CSB solution is also intended to support the larger Program Management responsibilities of
33 the Department of Education. The CSB solution must include methods to provide the necessary
34 information to FSA that will enable them to continue to improve these programs. FSA Policy and
35 Program Management will have the tools and information necessary to inform the policy makers in the
36 Office of Postsecondary Education (OPE) and the Department of Education on issues impacting FSA
37 activities. The CSB solution will support this requirement for information.

38 **2.3 CSB Ancillary Requirements**
39 Additional requirements are needed to support the business functions of the CSB solution. The
40 following section is a description of each of these additional requirements:

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| Deleted: and to proactively manage adjustments to operations and procedures to create positive change. A data model must be established, maintained, reviewed, and updated such that proper data mining and analysis can be performed. This data will include both demographic and financial information regarding the portfolio.¶ ¶ |
| Deleted: The objective of data mining is to help mitigate the risk of default and to improve the management of the Federal Government's student aid obligations. The CMDM is currently used by Repayment staff to monitor the Servicing portfolio. |
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2.3.1 Hosting

Currently FSA maintains a hosting provider, the Virtual Data Center (VDC). Many of FSA's current operational programs operate within the boundaries of this hosting provider. Even programs not wholly within the physical boundaries of the VDC maintain data and telecommunications interfaces within the VDC.

The VDC provides many functions to SCM such as maintaining operational environments, Direct Access Storage Devices (DASD) management, and first tier hardware and software support. In addition, the VDC is the licensing arm of FSA, maintains disaster recovery expertise and services, and fulfills the role as Chief Technology Architect for FSA.

Given the totality of FSA SCM systems with all its implied operational efficiencies, the assumption is the CSB solution will be hosted with the VDC. The vendor(s) will be responsible for ensuring applications work correctly when the VDC performs system upgrades and that all issues are resolved in a timely manner. Therefore, maintaining an effective working relationship with the VDC is critical.

The CSB vendor(s) may feel that certain components (i.e., printers, imaging platform, etc.) of the CSB solution infrastructure would be more cost effective or efficient for FSA if they remain outside the VDC domain. If this is the case, the CSB vendor(s) must develop and present alternatives to working with the VDC, which include strict, comprehensive, and clearly defined maintenance procedures and policies.

2.3.2 Application and System Software Maintenance

The CSB vendor(s) must be responsible for the maintenance of all application software. The Application Maintenance encompasses all production fixes, functional enhancements, and application upgrades to websites, programs, etc. The vendor(s) will update program content based on guidelines and directives received from FSA and the Department of Education. FSA reserves the right to obtain the most competitive price for application maintenance. This may include maintaining a competitive pool of development vendor(s) from which bids are solicited.

The CSB vendor(s) will provide a detailed description of change control requirements to include procedures necessary to control the software, documentation, and data definitions throughout the life of the contract. As appropriate, the CSB vendor will design, build, and implement new and updated correspondence, reports, on-line screens, etc. with approval from FSA.

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Change control requirements will include identification of change control issues, resolution plans, tracking mechanisms, reporting processes, etc. The CSB vendor(s) will have to coordinate the change control requirements with the VDC and other trading partners' configuration procedures, for example during the implementation of the annual School Software Release. In order to facilitate this interaction the CSB vendor(s) change control procedure process must comply with all FSA standards, including those already in place at the VDC.

Source Selection Information -- See FAR 2.101 and FAR 3.104
25
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2.3.3 Security

Given the sensitive nature of borrower data supplied via the Department of Education, it will be necessary for the CSB solution to demonstrate ample precautionary measures aimed at the protection of data. The CSB security approach must conform to Federal Security Requirements and FSA Security Guidelines. Any CSB systems implementation must include obtaining security certification and accreditation, as now required of all ED systems. Moreover, since the CSB solution does not contain explicit boundaries, the security of communications and other business systems is paramount. The CSB solution should present practices and procedures in the following areas:

- Access control and methodology (including intrusion detection and alerts)
- Application and systems development security
- Business continuity and disaster recovery planning
- Law, investigation and ethics
- Operations security
- Physical security
- Security architecture and models
- Security management practices
- Telecommunications and networking

2.3.4 Quality Assurance (QA)

The CSB vendor(s) must have a demonstrative focus on quality. The CSB vendor(s) and FSA will create and follow strict guidelines for quality assurance. These guidelines will ensure the stability and reliability of the data, technology, and processes that compose the CSB solution. The CSB vendor(s) will ensure that all components of the CSB solution follow these guidelines.

The vendor(s) will demonstrate quality assurance in terms of policy and procedure. To the extent required by legislative committees and FSA, the vendor(s) must be responsive and provide a timely, through, and accurate respond to ad-hoc requests.

The CSB vendor(s) should strive to achieve industry level standard certifications in quality in all components of the CSB solution. For example, the vendor(s) should strive for Capability Maturity Model Integrated^{SM} (CMMi) Level 3 or a comparable high level rating from the International Organization for Standardization (ISO).

2.3.5 Training

The CSB vendor(s) will create a strategy that details the resources, schedule, and appropriate training curriculum for FSA and contractor personnel based upon operational roles and business functions. Training manuals and job aids will be prepared and maintained according to FSA enterprise standards. Additional knowledge transfer will occur under the regular course of business operations, including new employee training, enhancements, legislative mandates (please see http://www.ifap.ed.gov for all relevant current information), etc.

Source Selection Information -- See FAR 2.101 and FAR 3.104   26
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2.3.6 Documentation

The CSB vendor(s) will maintain online system and application documentation that is complete, accurate, and accessible by FSA, as well as delivered to FSA via a broadly available industry standard electronic medium that creates an acceptable permanent record.

Examples of key program documentation the CSB vendor(s) will be required to provide include a Disaster Recovery Plan, a Security Plan, a Training Strategy Plan, and Application Documentation such as Database Structures and Diagrams, Application Code, and Data Model Updates. The CSB vendor(s) must document the Business Rules of their proposed solution and support FSA in its coordination and review of these Business Rules with Policy and the Office of General Counsel (OGC).

All CSB documentation must be in a format that is acceptable to FSA and facilitates any future updates. Any updates to the solution documentation including, but not limited to, procedures, hardware, software, data, and interfaces must be thoroughly documented. All updates to the system documentation must be made in a timely manner and recorded via a change log that is accessible by FSA personnel.

2.3.7 Transition

2.3.7.1 Phase-in Transition Plan

The CSB solution will operate in parallel with legacy system(s) as necessary to ensure that all business functions are fully tested and deployed and all data is converted in accordance with FSA's Conversion Plan. Outgoing and incoming vendor(s) must ensure that no business disruption occurs during the conversion and migration process.

A limited parallel run of Loan Consolidations will occur during the transition. Existing consolidations (currently in process) will be completed in the legacy environment. New consolidations from a specified date forward will be processed by the CSB solution. As a result of the size of the Servicing portfolio, a limited parallel run of Loan Servicing will be required during the conversion of the data.

2.3.7.2 End of Contract Transition Plan

The CSB vendor(s) will be responsible for ensuring the orderly transfer of the system from the contractor to the Government or to another contract during the final year of the contract. Turnover includes all necessary actions to transfer the system from one facility to another with appropriate data validation and training activities.

The CSB vendor(s) will submit a draft Turnover Plan to coincide with the deployment of the CSB solution. This plan will be updated and completed at the point of turnover of the CSB solution.

During the transition period, the CSB vendor(s) will be responsible for resolving production support issues and knowledge transfer. The vendor(s) will provide documentation on the specific roles and responsibilities of the transition team that will be delivered to FSA as a work product.

Source Selection Information -- See FAR 2.101 and FAR 3.104   27
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1 The transition period will be defined by FSA after the solution is available. The CSB vendor(s) will be
2 responsible for performing parallel testing during the turnover period as specified in the approved
3 turnover plan.

Source Selection Information -- See FAR 2.101 and FAR 3.104 28
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3.0 Assumptions and Constraints

3.1 CSB Solution

1. The CSB solution will include an integrated information delivery and account maintenance environment capable of properly managing any type of student aid obligation.
2. Servicing of loans will include repayment, collections, and consolidation of loans and other assigned debts.
3. The CSB solution will be required to interface, both directly and indirectly, with the existing FSA Integrated Technical Environment. This technical environment includes both internal and external interfaces.
4. The solution will adhere to FSA's enterprise standards and will support the objectives defined in the previous sections.
5. The contractor will be responsible for the complete and thorough testing of the CSB solution according to FSA's standards prior to pilot or deployment.
6. The CSB Website must be available close to 24 hours a day, 7 days per week.
7. The CSB solution will be aligned with the existing Portal and Data Strategies at FSA.
8. The CSB solution must be compliant with Section 508 of the Rehabilitation Act of 1986 and all of its Amendments.
9. The CSB solution must include access and support for Government users.

3.2 Rights in Data and Computer Software

1. The CSB contract will require data, including computer software, to be produced, furnished, acquired, or specifically used in meeting contract performance requirements. The contract also will require limited-rights data and restricted computer software. Specific data and software requirements are identified in this SOO and other documents.

2. The parties will negotiate prior to award the Government's acquisition of rights to limited-rights data and restricted computer software beyond those rights specified in applicable regulations. The Government intends to acquire the following rights to limited-rights data and restricted computer software, among others, to the extent those rights are not granted to the Government by regulation:

    a. use by Federal employees for Government purposes, including but not limited to access from remote terminals;
    b. use by support service contractors;
    c. use by nongovernmental and government evaluators and auditors;
    d. use (except manufacture) by other contractors participating in FSA programs which interact with this effort for information and use in connection with work performed under each contract;
    e. use by other contractors in the performance of a concurrent, subsequent or follow-on contract of similar, partial, or greater scope;
    f. emergency repair or overhaul work.

Section I of the solicitation contains applicable data rights and Privacy Act clauses. As an aid in determining the Government's need for limited rights data and/or restricted computer software, the Statement of Limited Rights Data and Restricted Computer Software Clause (May 1999) applies. The Additional Data Requirements Clause (June 1987), FAR 52.227-16, the Privacy Act Clause (Apr 1984), FAR 52.224-2, and the Privacy Act Notification Clause (Apr 1984), FAR 52.224-1, also apply.

3. The term "data" as used above in this section 3.2 does not include information pertaining to students and FSA financial partners (such as biographical, demographic and financial information) used in the delivery of student aid and which is stored in or processed by this solution. Notwithstanding any other clause or term of this contract (including any rights in data clause), it is understood and mutually agreed that the Department of Education has exclusive ownership of all information stored in, retrieved, modified, and/or archived in this system. The contractor shall have no rights in such information and no rights to such information shall vest on the contractor by virtue of its performance of this contract. No other party has the right to copy, delete, archive or transfer such information without the prior express written consent of the Department of Education.

3.3 Use of Subcontractors/Alliance Partners

1. Use of subcontractors must be compliant with FAR and Department of Education minority business and small business goals.
2. Subcontractors must coordinate with the VDC and other trading partners whenever necessary. This may include FSA's Integrated Change Management Process.

3.4 Legislative Mandates

1. The contractor will create a system flexible enough to handle new requirements generated by Congress and respond to legislative mandates and policy changes.
2. Please see *Appendix E – Standards and Relevant Documents* for current information.
3. The contractor will provide timely (as defined by FSA and contractor) responses to Office of Inspector General (OIG), General Accounting Office (GAO), budget, data, and management requests.

Source Selection Information -- See FAR 2.101 and FAR 3.104
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20   **Appendix A- Current Student Credit Management Website Functionality**
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This is a draft document for Market Research purposes only

Appendix - A
Current Student Credit Management Website Functionality

Web Function	DLSS Borrowers Website	DLSS Schools Website	DLSS Dept. of ED Website[1]	LC Website	Collections Website	PCA/Guaranty Agency Support Website
1098-E Tax Information	X		X			
Borrower Site Text Content Changes			X			
Borrower Surveys	X		X			
Change Payment Due Date	X		X			
Change Repayment Plan	X		X			
Consolidation Application – Interactive and Blank Form Download				X		
Consolidation Application Status				X		
Consolidation Electronic Verification Certification - Lenders				X		
Consolidation Lender EFT Roster Retrieval				X		
Defaulted Debt Content					X	X
Deferment Request and Forms – Interactive and Blank Form Download	X		X			
Demographic Updates	X		X	X		
Discharge Application Download	X		X			
EDA Enrollment Request – Interactive and Blank Form Download	X		X			
EFT Payment Manifest				X		
Electronic Bill Presentment	X		X			
Electronic Correspondence	X		X			
E-Mail Option	X	X	X	X	X	X
Entrance Counseling	X	X	X			
Exit Counseling	X	X	X			
Forbearance Request and Forms – Interactive and Blank Form Download	X		X			
Frequently Asked Questions (FAQs)	X	X	X	X	X	X
General Account Information (Demographics and Balances)	X	X	X			
Glossary of Terms	X	X	X	X	X	X
Guaranty Agency Support						X

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Appendix - A
Current Student Credit Management Website Functionality

Web Function	DLSS Borrowers Website	DLSS Schools Website	DLSS Dept. of ED Website[1]	LC Website	Collections Website	PCA/Guaranty Agency Support Website
ICR Waiver Download				X		
Interest Capitalization Estimator	X		X			
Log-in Through Common Origination and Disbursement (COD)		X				
Make Online Payment	X		X			
News Area	X	X	X	X	X	X
Online Advisor	X		X			
Online Advisor Management			X			
Other Forms Download	X		X	X		
Payment History	X		X			
Payoff Information	X		X			
PCA Support						X
PIN Log-On: ED Universal PIN	X			X		
PIN Request Option	X[3]			X[4]		
Promissory Note Download				X		
Promissory Note Retrieval	X		X			
Repayment Estimator	X	X	X	X		
Report Subscription to Student Aid Internet Gateway (SAIG)		X				
Retrieval of Statistics			X			
School Portfolio Report		X				
Search Feature	X	X	X	X	X	X
Section 508 Compliant	X	X	X	X	X	X
Security – 128 Bit Encryption	X	X	X	X		
Site Map	X	X	X	X	X	X
Site Tour	X		X			
Spanish Language Option	X	X	X			
Student Account Lookup Feature		X				
Survey Tool Management			X			
View Delinquency Reports		X	X			
View Repayment Loan Balances	X	X	X			
Website Help	X	X	X	X	X	X

1   [1] The DLSS Department of Education Website provides read-only access to the information contained within the DLSS
2   Borrowers Website.
3   [2] The DLSS Schools Website displays reports for this function

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1   [3] PIN site link and daily process of requesting new or duplicate PIN
2   [4] PIN site link

Source Selection Information -- See FAR 2.101 and FAR 3.104   A-3
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14   **Appendix B – Student Credit Management Data Mart Reporting**
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Appendix - B
Student Credit Management Data Mart Reporting

Report Grouping	Report Title	CMDM	DLDM
CFO Accounting	Treasury Report of Receivables	X	
	SSN / Loan ID Posting	X	
	Detailed Transaction Listing	X	
	Transaction Summary FMS 600 Report	X	
Credit Management Direct Loan Repayment	Loan Booking Report	X	
	Loan Disbursement Reports	X	
	Payment Allocation	X	
	Portfolio Analysis Weekly Status	X	
Consolidation Statistics	Delinquency Range	X	
	Delinquency Range in ICR	X	
	Loan Status	X	
	Repayment Plan Suspense Code	X	
Delinquency Statistics	Repayment Borrowers by Consolidation Type	X	
	Repayment Borrowers by Loan Type	X	
	Repayment Borrowers by Repayment Plan	X	
	Repayment Borrowers by School Type and Control	X	
	Repayment Borrowers by Days Past Due	X	
	Delinquent Borrowers by Loan Type	X	
	Delinquent Borrowers by Repayment Plan	X	
	Delinquent Borrowers by School Type and Control	X	
Direct Loan Repayment (DLR) Statistics	CF20 (Unique Borrower/Loan Counts and Amounts Report)	X	
	Delinquency Rates	X	
	Delinquent Loans by Loan Type	X	
	DLR by Status Code	X	
	DLR by Loan Type	X	
	DLR by Loan Type	X	
	DLR by Consolidation Type	X	
	DLR by School Type	X	
	DLR by Repayment Plan	X	
	DLR by ICR	X	
	Total Amount Collected Since Inception	X	
	DLR Repayment Option Breakdown	X	
Department of Education	Department of Education report - All delinquent borrowers for ED		X
Schools	Schools report - All delinquent students by school for individual schools		X
Ad-hoc queries/reports	Various	X	

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Appendix C - Current Student Credit Management IVR Functionality

Source Selection Information -- See FAR 2.101 and FAR 3.104
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Appendix - C
Current Student Credit Management IVR Functionality

IVR Function	Direct Loan Servicing	Direct Loan Consolidation	Debt Collection Service Information Center
Demographic Updates	X	X	X
Repayment Options	X	X	X
Repayment Plan Changes	X		
Billing Cycle Date Changes	X		X
EDA Billing Cycle Date Change	X		
Payoff Quote	X		
Balance Information	X	X	X
Payment History	X		X
Website Information	X	X	X
Deferment Form Request	X		
Forbearance Form Request	X		
Account information	X	X	X
Administrative Wage Garnishment Information			X
Treasury Offset Program Information			X
Request Wage Garnish or Federal Offset forms			X
Request Wage Garnish or Federal Offset letters			X
Debt Disputes and Cancellations			X
Repayment Arrangements			X
Request Promissory Note Copy			X
Make Payment			X
Generate Form Letters	X		
Generate EDA Application	X		
Generate Statement Letter	X		
Generate 1098 E Form	X		
Separation Date Change	X		
Program Information	X	X	X
Loan Consolidation Application Request		X	
Loan Consolidation Application Status		X	
Add Loan to Consolidation		X	
Consolidation Loan Status		X	
Credit Improvement Options			X
Request Disability Form			X
Disability Form Status			X
Request Consolidation Letter			X
Request Bankruptcy Claim Form			X
Bankruptcy Claim Form Status			X
Rehabilitation Options			X

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Appendix D – Current Federal Student Aid Assets

Appendix D
Current Federal Student Aid Assets

Asset	Description
Conditional Disability Discharge Tracking System (CDDTS)	Receives and evaluates applications for conditional total and permanent disability, determines medical eligibility for discharge, and tracks applicants through a three-year discharge period
Data Mart Applications	SCM operates two Data Marts to provide consolidated view of portfolio: 1) Credit Management Data Mart (CMDM) 2) Delinquency Loan Data Mart (DLDM) Technology consists of: 1) Informatica software 2) Microstrategy software
Debt Management Collection System (DMCS)	DMCS system manages debt assignments via other Education programs, such as FFEL, Perkins, and Pell Grants
EAI Middleware Technology	Middleware technology is information software enabling integrated interaction with legacy systems applications via pull/push data transactions from data sources. Technology consists of: 1) IBM MQ Series Software 2) IBM MQSI Software
eCampus Based System (eCB)	eCB provides two primary web-based user functions: 1) For institutions to use to enter, submit, and edit their Fiscal Operations Report and Application to Participate (FISAP) data 2) For Campus-Based staff to run simulations, allocations, and administer the Campus-Based programs
eServicing Component of Direct Loan Website	eServicing provides FSA with Electronic Bill Presentment and Payment/Electronic Correspondence (EBPP/EC). The technology consists of EBPP/EC – eDocs software.
electronic Customer Relationship Management (eCRM)	electronic Customer Relationship Management (eCRM) consists of the following technologies: 1) Siebel Financials 2) IBM MQ Series Software 3) IBM MQSI Software
Financial Management System (FMS)	FSA's Financial Management System
Free Application for Federal Student Aid (FAFSA) on the Web	FAFSA is a website used by students and schools to submit financial applications
FSA Website Applications	FSA operates the following websites based on specific user communities: 1) DLSS Borrowers (http://www.dl.ed.gov/) 2) DLSS Schools (http://www.dl.ed.gov/schools/) 3) DLSS Department of Education (http://www.dl.ed.gov/ed/) 4) Collections (http://www.ed.gov/offices/OSFAP/DCS) 5) PCA/Guaranty Agency Support (http://www.collections.sfa.ed.gov/) 6) LC (http://loanconsolidation.ed.gov/) 7) COD (http://www.cod.ed.gov/)
Integrated Loan Origination & Disbursement Systems	Common Origination and Disbursement (COD) provides FSA's loan origination and disbursement processes

Appendix D
Current Federal Student Aid Assets

Asset	Description
Integrated Technical Architecture (ITA)	Three core architecture domains: Internet, Integration, and Infrastructure, ITA provides a standardized, integrated, reusable infrastructure tools and components
Loan Consolidation System (LC)	Works with FSA applications (DMCS, DLSS) to manage student aid obligations by consolidating separated loans
National Student Loan Data System (NSLDS)	Repository of Title IV recipients and loan, Pell Grant, overpayment and enrollment information
PIN Site Processing	FSA authentication of customer identity via FSA-issued PIN
Web Portals	Provides separate views for FSA's customer groups (Students, Schools and Financial Partners)

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14   **Appendix E – Standards and Relevant Documents**
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1   **United States Department of Education Information and Resources**
2   •   Title IV Student Aid Programs Regulations (34 CFR Parts 600-694)
3   o   http://www.access.gpo.gov/nara/cfr/cfrhtml_00/Title_34/34cfrv3_00.html#600
4   •   Review of Student Aid Regulations Under Title IV of the Higher Education Act of 1965
5   o   http://www.ed.gov/offices/ODS/regreview/
6   •   Amendments to the Higher Education Act of 1965 (Higher Education Amendments of 1998)
7   o   http://www.ed.gov/legislation/HEA/
8   •   Department of Education Priorities
9   o   http://www.ed.gov/about/priorities.jsp
10   •   Information for Financial Aid Processionals (IFAP) Library
11   o   http://www.ifap.ed.gov/
12   •   U.S. Department of Education Records Disposition Schedules
13   o   http://www.ed.gov/offices/OCIO/foia/schedules.html
14   •   U.S. Department of Education Information Technology Security Manual
15   o   http://extranet.sfa.ed.gov/cio/it_management/techpolicy/
16   •   U.S. Department of Education Solution Life Cycle
17   •   FSA Technology Policy Guide
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19   **Applicable Federal Public Laws and Regulations**
20   •   Federal Acquisition Regulation (FAR)
21   o   http://www.arnet.gov/far/
22   •   Fair Debt Collection Practices Act
23   o   http://www.ftc.gov/os/statutes/fdcpajump.htm
24   •   Privacy Act of 1974
25   o   http://www.ed.gov/offices/OCIO/legislation/privacy_act.html
26   •   Freedom of Information Act of 1974
27   o   http://www.usdoj.gov/04foia/
28   •   Federal Managers' Financial Integrity Act of 1982
29   o   http://www.whitehouse.gov/omb/financial/fmfia1982.html
30   •   Computer Fraud and Abuse Act of 1987
31   o   http://cio.doe.gov/Documents/CFA.HTM
32   •   Computer Security Act of 1987
33   o   http://www.ciao.gov/resource/computer_security_act_of_1987.html
34   •   Computer Matching and Privacy Protection Act of 1988
35   o   http://thomas.loc.gov/cgi-bin/bdquery/z?d100:SN00496:
36   •   Paperwork Reduction Act
37   o   http://www.ed.gov/offices/OCIO/legislation/paperwork_reduction.html
38   •   Government Paperwork Elimination Act (GPEA)
39   o   http://www.ed.gov/offices/OCIO/legislation/paperwork_elimination.html
40   •   Clinger-Cohen Act
41   o   http://www.ed.gov/offices/OCIO/legislation/clinger_cohen.html
42   •   Federal Records Act

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1 o http://www.ed.gov/offices/OCIO/legislation/federal_records.html
2 • Government Information Security Reform Act (GISRA)
3   o http://www.ed.gov/offices/OCIO/downloads/gisra.doc
4 • E-Government Act of 2002 – Includes the Federal Information Security Management Act
5   (FISMA)
6   o http://www.cio.gov/documents/e_gov_act_2002.pdf
7 • Section 508 of the Rehabilitation Act of 1973
8   o http://www.section508.gov/
9 • Electronic Signatures in Global and National Commerce Act of 2000 (E-Sign)
10   o http://frwebgate.access.gpo.gov/cgi-
11   bin/getdoc.cgi?dbname=106_cong_bills&docid=f:s761enr.txt.pdf
12 • Gramm-Leach-Bliley Act   ← **Formatted:** Bullets and Numbering
13   o http://www.senate.gov/~banking/conf/
14

15 **Standards Resources**
16 • International Organization for Standardization
17   o http://www.iso.ch/iso/en/ISOOnline.openerpage
18 • National Institute of Standards and Technology
19   o http://www.nist.gov/
20 • Software Engineering Institute (SEI) and the Capability Maturity Model (CMM)
21   o http://www.sei.cmu.edu/cmm/cmm.html
22 • Federal Information Processing Standard Publication (FIPS PUB) 31 - "Guidelines for ADP
23   Physical Security and Risk Management"
24   o http://csrc.nist.gov/publications/fips/fips31/fips31.pdf
25 • FIPS PUB 46-3 – "Data Encryption Standard (DES)"
26   o http://csrc.nist.gov/publications/fips/fips46-3/fips46-3.pdf
27 • FIPS PUB 73 – "Guidelines for Security of Computer Applications"
28   o http://csrc.nist.gov/publications/fips/fips73/fips73.PDF
29 • FIPS PUB 83 – "Guidelines on User Authentication Techniques for Computer Network Access
30   Control"
31 • FIPS PUB 87 – "Guidelines for ADP Contingency Planning"
32   o http://csrc.nist.gov/publications/fips/fips87/fips87.pdf
33 • FIPS PUB 112 – "Password Usage"
34   o http://www.itl.nist.gov/fipspubs/fip112.htm
35 • FIPS PUB 113 – "Computer Data Authentication"
36   o http://www.itl.nist.gov/fipspubs/fip113.htm
37

38 **Executive Orders and Executive Office Guidance**
39 • Executive Order 13231 - "Critical Infrastructure Protection in the Information Age"
40   o http://www.whitehouse.gov/news/releases/2001/10/20011016-12.html
41 • Executive Order 13228 - "Establishing the Office of Homeland Security and the Homeland
42   Security Council"

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1   o   http://www.whitehouse.gov/news/releases/2001/10/20011008-2.html
2   • Executive Order 13011 - "Federal Information Technology"
3   o   http://www.cio.gov/Documents/federal%5Fit%5FJul%5F1996%2Ehtml
4
5   **Office of Management and Budget (OMB) Circulars, Memoranda, and Other Guidance on**
6   **Information Technology**
7   • OMB Circular A-123 – "Internet Control Systems"
8   o   http://www.whitehouse.gov/omb/circulars/a123/a123.html
9   • OMB Circular A-127 – "Financial Management Systems"
10   o   http://www.whitehouse.gov/omb/circulars/a127/a127.html
11 • OMB Circular A-130 – "Management of Federal Information Resources", Appendix III –
12   "Security of Federal Information Resources"
13   o   http://www.whitehouse.gov/omb/circulars/a130/a130.html
14 • OMB Bulletin 90-08 – "Guidelines for Preparation of Security Plans for Federal Systems that
15   Contain Sensitive Data"
16   o   http://wwwoirm.nih.gov/itmra/omb90-08.html
17 • NIST Special Publication 800-18 – "Guide for Developing Security Plans for Information
18   Technology Systems"
19   o   http://csrc.nist.gov/publications/nistpubs/800-18/Planguide.PDF
20 • OMB Memorandum 97-02 – "Funding Information Systems Investments"
21   o   http://www.ed.gov/offices/OCIO/legislation/memo_funding.html
22 • OMB Memorandum 97-16 – "Information Technology Architectures"
23   o   http://www.whitehouse.gov/omb/memoranda/m97-16.html
24 • OMB Memorandum 00-15 – "OMB Guidance on Implementing the Electronic Signatures in
25   Global and National Commerce Act"
26   o   http://www.whitehouse.gov/omb/memoranda/m00-15.html
27 • OMB Memorandum 01-08 – "Guidance on Implementing the GISRA"
28   o   http://www.whitehouse.gov/omb/memoranda/m01-08.pdf
29 • OMB Memorandum 01-24 – "Reporting Instructions for the GISRA"
30   o   http://www.whitehouse.gov/omb/memoranda/m01-24.pdf
31 • US General Accounting Office Accounting and Information Management Division
32   (GAO/AIMD) Report 94-115 – "Executive Guide: Improving Mission Performance Through
33   Strategic Information Management and Technology"
34   o   http://www.access.gpo.gov/cgi-
35   bin/useftp.cgi?IPaddress=wais.access.gpo.gov&filename=ai94115.txt&directory=/diskb
36   /wais/data/gao
37
38 **Other**
39 • IRS Publication 1075 – "Tax Information Security Guidelines for Federal, State, and Local
40   Agencies"
41   o   http://www.irs.gov/pub/irs-pdf/p1075.pdf
42

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16   **Appendix F – List of Other Entities, Business and Technical**
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18

1. **CheckFree** – An online billing and payment services provider that borrowers may elect to use to pay off outstanding student loans. CheckFree provides payment processing services for FSA.

2. **Common Origination and Disbursement System (COD)** – FSA's participating schools use a common process, platform, and record to originate and disburse Title IV federal aid funds.

3. **Conditional Disability Discharge Tracking System** – Receives and evaluates applications for conditional total and permanent disability, determines medical eligibility for discharge, and tracks applicants through a three-year discharge period.

4. **Conditional Disability Discharge Tracking System Servicing Center** – The Conditional Disability Discharge Tracking System Servicing Center handles loans that are granted a conditional discharge. They instruct borrowers on the steps they will need to take in order to have their loan permanently discharged.

5. **Credit Bureaus** – A group of agencies that gather information about consumers' credit relationships and provide creditors with credit reports and scores on consumers. FSA provides input to these credit bureaus to ensure compliance with the Fair Lending Act.

6. **Credit Management Data Mart (CMDM)** – CMDM provides FSA with a tool to complete comprehensive reporting for Direct Loan data and provides CFO and SCM reports on DLSS detailed financial transaction and demographic information.

7. **Debt Collection Service Information Center (DCSIC)** – The DCSIC in Iowa City, IA handles inbound telephone inquiries, general written inquiries, control mail inquiries, hearings, and other servicing activities for defaulted debts.

8. **Debt Management and Collection System (DMCS)** – DMCS provides the processing of outstanding financial aid debts from the time a debt is assigned to the Department of Education until it is paid in full or otherwise satisfied. This is the largest component of FFEL providing a vehicle for the storage, retrieval, and editing of borrower information. Borrower information collected as part of the student loan application, processing, collection, and disposition of the account is used to assist the Student's Channel Collections collect on defaulted accounts.

9. **Delinquent Loan Data Mart (DLDM)** – DLDM generates reports of all delinquent students for the Department of Education. DLDM also provides individual schools with a report of all delinquent borrowers by school.

10. **Department of Defense (DOD)** – The Department of Defense supports FSA by providing information to the Federal Defaulter Program and facilitating loan repayment for military personnel.

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1 11. **Department of Health and Human Services (HHS) – National Directory of New Hires (NDNH) -**
2 The Department of Health and Human Services' National Directory of New Hires (NDNH)
3 provides a national directory of employment and unemployment insurance information that
4 enables state IV-D Child Support Enforcement agencies to be more effective in locating non-
5 custodial parents, establishing child support orders and enforcing child support orders. HHS
6 supports FSA via its data matching of defaulted borrowers.
7
8 12. **Department of Housing and Urban Development (HUD)** – HUD supports FSA by providing
9 information for action by private collection agencies.
10
11 13. **Department of Justice (DOJ)** – FSA coordinates with the DOJ for litigation of student aid obligation
12 disputes.
13
14 14. **Department of Treasury Financial Management System –** One of the key tools used by FMS to
15 collect delinquent debt is the Treasury Offset Program (TOP). Under TOP, FMS matches a database
16 of delinquent debtors against payments disbursed by Treasury offset or withholds federal
17 payments to recipients who also owe delinquent debts. Lockbox reconciliation is also performed.
18
19 15. **Direct Loan Consolidation Center (DLCC)** – The functions of the DLCC, located in Louisville, KY,
20 include application examination, entry, and imaging, credit checks, phone receipt of Direct Loan-
21 only consolidation applications, application edits, loan certification/verification, customer support,
22 lender payoff and payoff adjustments, supplemental loan processing, and other loan consolidation
23 activities.
24
25 16. **Direct Loan Consolidation System (DLCS)** – Works with the Direct Loan Servicing System and
26 Debt Management Collection System, and FFEL lenders, to help borrowers better manage student
27 aid obligations by consolidating separated loans. A loan, arranged through ED's Loan Origination
28 Center (LOC), that combines several Title IV education loans (including non-Direct loans) into a
29 single loan with one monthly repayment.
30
31 17. **Direct Loan Operations** – The Direct Loan Operations group handles program questions from
32 schools.
33
34 18. **Direct Loan Origination System (DLOS)** – Provided Direct Loan origination and disbursement
35 processes prior to 2002-2003 award year.
36
37 19. **Direct Loan Service Center(s) (DLSCs)** – The DLSCs in Utica, NY and Bakersfield, CA are
38 responsible for Borrower Services, School Services, Loan Counseling, Correspondence, Entitlement,
39 Loan Status Processing, Payment Application, Data Integrity, Image and Record Management, and
40 other loan servicing activities for non-defaulted Direct Loans.
41
42 20. **Direct Loan Servicing System (DLSS)** – DLSS receives all booked student loans from the
43 origination system and maintains the loans for their remaining life. While borrowers are in school,

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1   in deferment status, or in repayment, DLSS performs function including placing the loan into
2   repayment at the proper time, billing the borrowers, and tracking subsequent payments and
3   delinquencies. When a direct loan defaults, DLSS electronically transmits the defaulted FDSL
4   account and cohort information to Collections. In addition, the DLSS provides adjusted gross
5   income (AGI) information to Collections upon request to support Income Contingent Repayment
6   requests.

7

8   21. **eDocs** – FSA uses this software to provide electronic bill presentment and payments activities. This
9   software also provides online correspondence capabilities for the borrowers enrolled into the
10   eServicing program.

11

12   22. **Educational Credit Management Corporation (ECMC)** – The Educational Credit Management
13   Corporation (ECMC) exists to provide a full range of services to students, schools and lenders
14   participating in the Federal Family Educational Loan (FFEL) Program. FSA interacts with ECMC to
15   provide bankruptcy information.

16

17   23. **Electronic Debit Account (EDA) Vendor** – Borrowers make payments to FSA via the Department
18   of Treasury (Electronic Debit or payment through an approved lockbox). FSA coordinates with the
19   Department of Treasury to process these payments. In addition, FSA provides information to this
20   department for the Treasury Offset Program.

21

22   24. **Enterprise Application Integration (EAI) Bus** – The Enterprise Application Integration Bus
23   provides a messaging infrastructure and integration capabilities to build standardized interfaces to
24   new and legacy systems in support of FSA objectives.

25

26   25. **Federal Family Education Loan (FFEL) Lenders** – FFEL lenders fund and provide Federal Stafford,
27   Federal PLUS, Federal SLS, and Federal Consolidation Loans that are guaranteed by guarantors and
28   reinsured by the federal government. The Department of Education works with these lenders
29   providing information and collection services. In addition, rehabilitated Perkins loans may be re-
30   sold to FFEL Lenders, at the Department's discretion.

31

32   26. **FSA Financial Management System (FMS)** – FSA's Financial Management System (FMS) uses
33   Oracle Federal Financials to create a single, centralized integrated financial management system for
34   all financial activities within FSA. In addition, this system serves as the general ledger for CSB.

35

36   27. **FSA Ombudsman** – An ombudsman resolves disputes from a neutral, independent viewpoint. The
37   Federal Student Aid (FSA) Ombudsman informally conducts impartial fact-finding about customer
38   complaints. They recommend solutions, but they don't have the authority to reverse decisions.
39   They also work to bring about changes that will help prevent future problems for other student loan
40   borrowers. This is a free service provided by the US Department of Education.

41

42   28. **Fulfillment Centers** – Fulfillment Centers handle correspondence from Student Credit
43   Management that is sent to borrowers.

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<#>**Disability Discharge Loan Servicing Center** – The Disability Discharge Loan Servicing Center handles loans that are granted a Conditional Discharge. They instruct borrowers on the steps they will need to take in order to have their loan permanently discharged.¶

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29. **General Accounting Office (GAO)** – The General Accounting Office is the audit, evaluation, and investigative arm of Congress. GAO exists to support the Congress in meeting its Constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the American people. FSA needs to provide responses to GAO's budget, data, audit, and management requests.

30. **Guaranty Agencies (GA)** – A state agency or a private, nonprofit institution or organization that administers the financial aid programs within the Federal Family Education Loan (FFEL) Program. A major function is to insure Federal Family Education Loans. Guaranty agencies are reimbursed by the federal government for all or part of the insurance claims they pay to lenders.

31. **Internal Revenue Service (IRS)** – The Internal Revenue Service, a branch of the Department of Treasury, is the nation's tax collection agency and administers the Internal Revenue Code enacted by Congress. The IRS assists FSA with its administration of the Direct Loan Income Contingent Repayment (ICR) Plan and provides FSA with skip trace services, generation of reports, and the exchange of data that is used to maintain borrower information.

32. **International Organization for Standardization (ISO)** – The International Organization for Standardization (ISO) is a worldwide federation of national standards bodies from more than 140 countries, one from each country. The ISO is a non-governmental organization established in 1947. The mission of ISO is to promote the development of standardization and related activities in the world with a view to facilitating the international exchange of goods and services, and to developing cooperation in the spheres of intellectual, scientific, technological and economic activity.

33. **Lockbox** – FSA currently uses Bank of America as a Treasury-approved lockbox to collect payments on its behalf. The lockbox forwards payment data for processing and deposits funds into the Federal Reserve Bank.

34. **National Payment Center (NPC)** – The National Payment Center handles information on defaulted debts being collected by the Department, including payments received, amount owed and repayment options.

35. **National Student Clearinghouse** – The National Student Clearinghouse, a not for profit association founded by the higher education community, streamlines the student record verification process for colleges and universities, students and alumni, lending institutions, employers, and other organizations. The Clearinghouse maintains a comprehensive electronic registry of student records that provides a single, highly automated point-of-contact for organizations and individuals requiring timely, accurate verification of student enrollment, degree, and loan data. The Clearinghouse also provides status updates for those schools enrolled in NSLDS.

36. **National Student Loan Data System (NSLDS)** – NSLDS is the U.S. Department of Education's central, integrated database for student aid. NSLDS stores Title IV data that is received from

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1   schools, guaranty agencies, and many internal FSA systems. Multiple entities in the Higher
2   Education Community are responsible for ensuring the timeliness and accuracy of NSLDS data.
3

4   37. **Federal Student Aid (FSA)** – The office within the Department of Education responsible for
5   managing the federal student aid programs and processes.
6

7   38. **Office of General Counsel (OGC)** – The Office of the General Counsel is under the supervision of
8   the General Counsel, who serves as principal adviser to the Secretary of the Department of
9   Education on legal matters affecting Departmental programs and activities. The Office has three
10   legal practice areas, Program Service, Postsecondary and Regulatory Service, and Departmental and
11   Legislative Service.
12

13   39. **Office of Inspector General (OIG)** – The purpose of the Department of Education Office of
14   Inspector General is to promote the efficiency, effectiveness, and integrity of the Department's
15   programs and operations. They conduct independent and objective audits, investigations,
16   inspections, and other activities.
17

18   40. **Office of Postsecondary Education (OPE)** – The Office of Postsecondary Education (OPE)
19   formulates federal postsecondary education policy and administers programs to improve access to
20   quality postsecondary education in the United States.
21

22   41. **Private Collection Agencies (PCAs)** – These are private collection agencies that provide collection
23   services to the Department of Education for defaulted student aid.
24

25   42. **Schools** – Schools are institutions eligible under the Higher Education Act to support Federal
26   Student Aid Programs. Perkins Loans and other school-owned student aid obligations may be
27   consolidated or transferred to the Department for servicing due to default, school closing, or other
28   reasons.
29

30   43. **Social Security Administration (SSA)** – The Social Security Administration supports FSA by
31   providing information to the Federal Defaulter Program Hearings.
32

33   44. **Student Aid Internet Gateway (SAIG)** - The SAIG is designed around FSA's vision and target
34   architecture to provide an Internet solution for data transmissions. The SAIG offers Title IV-eligible
35   post-secondary institutions, third-party servicers, state agencies, lenders and guarantors a secure,
36   Internet-based method of exchanging Title IV data with the FSA Application Systems. The SAIG
37   replaces what was formerly known as "TIV WAN" by moving Title IV transmissions from the
38   General Electric value-added network to the Internet.
39

40   45. **Student Credit Management Websites** - FSA operates the following websites based on specific user
41   communities:
42   Direct Loan Servicing System Borrowers (http://www.dl.ed.gov/)
43   Direct Loan Servicing System (http://www.dl.ed.gov/schools/)

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1   Direct Loan Servicing System Department of Education (http://www.dl.ed.gov/ed/)
2   Collections (http://www.ed.gov/offices/OSFAP/DCS)
3   Private Collection Agency (PCA)/Guaranty Agency (GA) Support
4   (http://www.collections.sfa.ed.gov/)
5   Loan Consolidation (http://loanconsolidation.ed.gov)
6
7   46. **United States Office of Management and Budget (OMB)** – The OMB assists the President of the
8   United States in the development and execution of his policies and programs. OMB has a hand in
9   the development and resolution of budget, policy, legislative, regulatory, procurement, e-gov, and
10   management issues on behalf of the President.
11
12   47. **United States Postal Service (USPS)** - The USPS delivers correspondence to every household and
13   business in the United States. Among the services the Postal Service offers is skip tracing. This is an
14   important tool to reach borrowers.
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16   **Appendix G – Glossary of Terms**
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Appendix G
Glossary of Terms

Term	Definition
Administrative Wage Garnishment (AWG)	Process whereby an employer withholds amounts from an employee's wages and pays those amounts to the employee's creditor in satisfaction of a wage garnishment order issued by the creditor.
Aid Application	Applying for the various types of financial aid provided by FSA that is available to interested parties who qualify based on certain criteria. The FAFSA is completed when applying for aid.
Aid Awareness	A state of being informed about the types and availability of financial aid.
Aid Eligibility	An applicant for Federal Student Aid qualifies for financial aid. Based upon certain qualifications, an applicant makes a decision about accepting financial aid.
Aid Origination and Disbursement	Origination involves the collection of data from a student and entering it into origination records for Direct Loans and Pell Grants. The data is the basis for making a loan for the Federal Direct Loan program, or establishing eligibility for a Pell Grant. Disbursement is the process by which Title IV program funds are paid to a student or parent borrower. A school may pay the student or parent directly or credit a student's school account.
Back Office	The Back Office functions of CSB include Data Management, Transaction Processing (including consolidating loans), Payment Processing, Fulfillment, Document Management, Debt Recovery and Resolution, Portfolio and Risk Management, Performance Management, Program Management, and all necessary resources required to support these activities (school services, entitlement processing, etc.).
Call Center Customer Service Representatives (CSRs)	The Customer Service Representatives provide responses to customer inquiries. The inquiries may include processing transactions, generating correspondence, providing student aid counseling, answering inquiries about student aid programs and entitlements, escalating issues, transferring calls, and referring calls to other sources of information.
Capability Maturity Model Integrated (CMMI)	Software developers have demanded a standard that exceeds the requirements of ISO 9000 while providing a means of measuring progress and quality. In response to this demand, the Software Engineering Institute (SEI) at Carnegie Mellon University (CMU) developed the Capability Maturity Model (CMM). The CMMI models improve upon the best practices of previous models in many important ways. CMMI best practices enable organizations to do the following: • More explicitly link management and engineering activities to business objectives • Expand the scope of and visibility into the product life cycle and engineering activities to ensure that the product or service meets customer expectations • Incorporate lessons learned from additional areas of best practice (e.g., measurement, risk management, and supplier management) • Implement more robust high-maturity practices • Address additional organizational functions critical to its products and services • More fully comply with relevant ISO standards

Term	Definition
Change Control Requirements	Procedures necessary to control the software, hardware, documentation, and data definitions throughout the life of the contract. Change control requirements will include identification of change control issues, resolution plans, tracking mechanisms, reporting processes, etc. The CSB vendor(s) will have to coordinate the change control requirements with the VDC and other trading partners' configuration procedures, for example during the implementation of the annual School Software Release. In order to facilitate this interaction the CSB vendor(s) change control procedure process must comply with all FSA standards, including those already in place at the VDC.
CheckFree	An online billing and payment services provider that borrowers may elect to use to pay off outstanding student loans.
Child Care Provider Loan Forgiveness Program	Provides loan forgiveness (payments) for borrowers who provide child care services. It is administered under a first come first serve basis.
Client Account Managers (CAMs)	The Client Account Manager (CAM) is the Department's frontline school representative in a Federal region for all Title IV programs.
Common Origination and Disbursement (COD)	Initiative designed to put in place more common processes across financial aid programs. FSA's participating schools use a common process, platform, and record to originate and disburse Title IV federal aid funds.
Common Services for Borrowers (CSB)	Common Services for Borrowers (CSB) is an initiative that involves the integration of the Repayment, Consolidation, and Collections business operations and functions of the Student Credit Management. The **CSB Mission** is: "We Help America Manage Student Aid Obligations." The **CSB Vision** is: "To improve the management of student aid obligations through efficient use of timely and accurate information, common functions, and shared data."
Common Student Identifier (CSID)	A FSA initiative that seeks to establish a simple framework by which FSA and its partners can consistently identify students/borrowers across all phases of the Student Aid Lifecycle.

Term	Definition
Computer Telephony Integration (CTI)	CTI (computer-telephony integration), or sometimes simply "computer telephony," is the use of computers to manage telephone calls. The term is used in describing the computerized services of call centers, such as those that direct your phone call to the right department at a business you're calling. It is also sometimes used to describe the ability to use your personal computer to initiate and manage phone calls (in which case you can think of your computer as your personal call center). CTI applications provide the ability to do one or more of the following: • Authenticate callers. Using one of several standard methods, the telephone number of the caller can be screened against a database. • Recognize a voice, either for authentication or for message forwarding • Using live, recorded voice, or touch-tone entered input, determine how to process a call (for example, by forwarding it to the appropriate person or department) • Provide interactive voice response (IVR) to callers • Match the number of a caller with a customer record and display it for reference when talking to the caller • Manage voice or video conferences • Collect and display pending live calls or messages that have been left by callers • Receive fax messages and route them to appropriate fax machines • For outbound calling such as telemarketing, predial callers • Based on call input, initiate a smart agent application to provide help with the caller's request
Conditional Disability Discharge Tracking System (CDDTS)	Receives and evaluates applications for conditional total and permanent disability, determines medical eligibility for discharge, and tracks applicants through a three-year discharge period.
Credit Management Data Mart (CMDM)	One of two FSA Data Marts that serve as the foundation for providing SCM with a consolidated view of the portfolio. CMDM provides FSA with a tool to complete comprehensive reporting for Direct Loan data and provides CFO and SCM reports on DLSS detailed financial transaction and demographic information.
Debt Management Collection System (DMCS)	DMCS provides the processing of outstanding financial aid debts from the time a debt is assigned to the Department of Education until it is paid in full or otherwise satisfied. This is the largest component of FFEL providing a vehicle for the storage, retrieval, and editing of borrower information. Borrower information may be collected as part of the student loan application, processing, collection, and disposition of the account. The Students Channel Collections area uses this information to collect defaulted accounts.

Term	Definition
Deferment	A deferment is a period in which repayment of the principal balance is postponed. During a deferment, if the loan is subsidized, the government pays the interest charged. For Direct Unsubsidized, PLUS, Unsubsidized Consolidation, and PLUS Consolidation Loans in deferment, the Borrower is responsible for the interest that accrues during the deferment period. If the Borrower has unsubsidized loans, when the Borrower re-enters repayment at the end of the deferment period, any unpaid interest capitalizes (is added to the principal balance). There are several deferment types. If the Borrower is not eligible for a deferment the Borrower may still be eligible for forbearance.
Delinquent Loan Data Mart (DLDM)	One of two FSA Data Marts that serve as the foundation for providing SCM with a consolidated view of the portfolio. DLDM generates reports of all delinquent students for the Department of Education. DLDM also provides individual schools with a report of all delinquent borrowers by school.
Department of Education	The U.S. Department of Education was established on May 4, 1980 by Congress in the Department of Education Organization Act (Public Law 96-88 of October 1979). The Department's missions are to: strengthen the Federal commitment to assuring access to equal educational opportunity for every individual; supplement and complement the efforts of states, the local school systems and other instrumentalities of the states, the private sector, public and private nonprofit educational research institutions, community-based organizations, parents, and students to improve the quality of education; encourage the increased involvement of the public, parents, and students in Federal education programs; promote improvements in the quality and usefulness of education through Federally supported research, evaluation, and sharing of information; improve the coordination of Federal education programs; improve the management of Federal education activities; and increase the accountability of Federal education programs to the President, the Congress, and the public.
Department of Treasury Financial Management System	One of the key tools used by FMS to collect delinquent debt is the Treasury Offset Program (TOP). Under TOP, FMS matches a database of delinquent debtors against payments disbursed by Treasury offset or withholds federal payments to recipients who also owe delinquent debts. Lockbox reconciliation is also performed.
Direct Access Storage Devices (DASD)	DASD (Direct access storage device) is a general term for magnetic disk storage devices that has historically been used in the mainframe and minicomputer (mid-range computer) environments. When used, it may also include hard disks drives for personal computers. A recent form of DASD is the Redundant Array of Independent Disks (RAID).

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Appendix G
Glossary of Terms

Term	Definition
Direct Loan Servicing System (DLSS)	DLSS receives all booked student loans from the origination system and maintains the loans for their remaining life. While borrowers are in school, in deferment status, or in repayment, DLSS performs function including placing the loan into repayment at the proper time, billing the borrowers, and tracking subsequent payments and delinquencies. When a direct loan defaults, DLSS electronically transmits the defaulted FDSL account and cohort information to Collections. In addition, the DLSS provides adjusted gross income (AGI) information to Collections upon request to support Income Contingent Repayment.
Disaster Recovery Plan	A Disaster Recovery Plan (DRP) - sometimes referred to as a Business Continuity Plan (BCP) or Business Process Contingency Plan (BPCP) - describes how an organization is to deal with potential disasters. Just as a disaster is an event that makes the continuation of normal functions impossible, a disaster recovery plan consists of the precautions taken so that the effects of a disaster will be minimized, and the organization will be able to either maintain or quickly resume mission-critical functions. Typically, disaster recovery planning involves an analysis of business processes and continuity needs; it may also include a significant focus on disaster prevention.
EFT Payment Manifest	The Electronic Fund Transfer (EFT) Payment Manifest – A complete listing of payments received via electronic means.
Electronic Bill Presentment and Payment/Electronic Correspondence (EBPP/EC)	An Internet based solution enabling Direct Loan borrowers to receive their bills and correspondence via e-mail, repay their loans, and execute transactions on-line.
electronic Customer Relationship Management (eCRM)	A Siebel-based solution for the Customer Service Representatives (CSRs), together with a Computer Telephony Integration (CTI) plug-in to the existing DLSS enabling Direct Loan call center personnel to manage telephone calls and customer relationships in an organized way.
Electronic Debit Account (EDA)	Direct Loan borrowers may pay their monthly Direct Loan payments by Electronic Debit Account (EDA). Electronic Debiting is a service that allows your bank to automatically deduct your monthly payment(s) from your checking or savings account.
Enterprise Application Integration (EAI) Middleware Technology	Technology that provides services to support application integration across FSA's enterprise. This technology enables modernized systems to interact with legacy systems.
eServicing	The Direct Loan eServicing initiative includes Electronic Bill Presentment and Payment/Electronic Correspondence (EBPP/EC), and electronic Customer Relationship Management (eCRM) functionality. See those definitions for further detail.
Extensible Mark-up Language (XML)	A technical architecture specification that details FSA's data transfers with internal and external organizations.

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Term	Definition
FAFSA (Free Application for Federal Student Aid)	A student financial aid application form completed by a student and his or her family who wish to receive federal aid. It is the ED input document that serves as the foundation for all need analysis computations. The FAFSA gathers data to calculate the Expected Family Contribution (EFC), which is used to determine eligibility for Federal Pell Grant, campus-based, Federal Stafford Loan, and Federal Direct Loan awards.
Federal Family Education Loan (FFEL)	Federal Family Education loan was implemented by legislation in 1965, formerly known as the Guaranteed Student Loan (GSL). Debts are assigned to the Department for default or assumed in a variety of conditions in the event an agency ceases to participate or operate. FFEL loans are offered through the FFEL program. If a school does not participate in Direct Loans, the funds for student loans are sent to the student from a bank, credit union, or other lender that participates in the FFEL program. The FFEL program offers Stafford Subsidized, Stafford Unsubsidized, PLUS loans, and Consolidation Loans.
Federal Financials Commercial Off-The-Shelf (COTS) product	Generic software packaged by Oracle that is easily customized to integrate with FSA's Financial Management System to perform financial processes and other FSA business needs.
Federal Pell Grant Program	A grant program for undergraduate students who have not completed a first baccalaureate degree. On a case-by-case basis, students with baccalaureate degrees who are enrolled in state-required teacher certification programs may be eligible for federal Pell Grants (see 34 CFR 690.6[c] for more information). It is designed to financially assist students with need who are the least able to contribute toward their basic education expenses. If students apply, meet all the eligibility criteria, and are enrolled in an eligible program at an eligible institution, they will receive Federal Pell Grants. Formerly, this grant was called the Basic Educational Opportunity Grant (BEOG). In 1982, it was renamed to honor Senator Claiborne Pell; the word "Federal" was added to its name in 1992.
Federal Salary Offset (FSO) Program	Similar to Administrative Wage Garnishment (AWG), this program is the process where a Federal agency withholds a pre-determined amount from a Federal employee's wages and pays the amount to the employee's creditor.
Federal Security Requirement	Security benchmarks instituted by governmental organizations, such as NIST, which define the following areas: Physical Security, Access and Authorization Control, and appropriate Network and Trust Restrictions. In addition, these requirements further clarify aspects such as: Ongoing Monitoring and Administration, Testing, and Reviews.
Federal Student Aid (FSA)	The office within the Department of Education responsible for managing the federal student aid programs and processes.
Federally Insured Student Loan (FISL)	Prior to the development of the Stafford Loan Program, a student loan was known as a Federally Insured Student Loan. A FISL was guaranteed by the Federal Government.

Term	Definition
Financial Partners	Federal Student Aid (FSA) Financial Partners works in partnership with Guaranty Agencies, Lenders, Servicers, Trade Associations, Trustees, Schools and Secondary Markets to ensure access for students to Federal Student Loans particularly the FFEL program. In addition, Financial Partners work with State Grant Agencies on the LEAP/SLEAP grant program. We promote best in business and strive for greater program integrity through innovative technical development, oversight, technical assistance, partnership, and community outreach programs.
Forbearance	Forbearance is an arrangement to postpone or reduce the Borrower's monthly payment amount for a limited and specific period during which the Borrower is charged interest. If the Borrower indicates a temporary inability, but willingness to pay the loan(s), the Borrower may ask for or be offered forbearance. For all Direct Loans, interest that accrues during forbearance is the responsibility of the borrower. When the Borrower re-enter repayment at the end of the forbearance period, any unpaid interest capitalizes (is added to the principal balance). There are several forbearance types. The Borrower must apply and qualify for a forbearance and the U.S. Department of Education must approve the request in order for a forbearance to be in effect. If the Borrower is not eligible for forbearance the Borrower may still be eligible for a deferment.

Appendix G
Glossary of Terms

Term	Definition
Freedom of Information Act (FOIA)	The Freedom of Information Act (FOIA), 5 U.S.C. § 552, was enacted in 1966 and provides that any person has the right to request access to federal agency records or information. All agencies of the U.S. government are required to disclose records upon receiving a written request for them, except for those records that are protected from disclosure by the nine exemptions to the FOIA listed below. The federal FOIA does not provide access to records held by state or local government agencies, or by private businesses or individuals. Most states, and some local jurisdictions, have their own laws about access to state and local records. State ED agencies should be contacted for further information about these statutes. **Exemptions** All agency records must be made available to the public under the FOIA, except for records that are: 1. Properly classified as secret in the interest of national defense or foreign policy; 2. Related solely to internal personnel rules and practices; 3. Specifically made confidential by other statutes; 4. Concerning trade secrets and commercial or financial information obtained from a person and privileged or confidential; 5. Inter-agency or intra-agency memoranda or letters, except under certain circumstances; 6. Personnel and medical files and similar files, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy; 7. Compiled for law enforcement purposes; 8. Contained in or related to certain examination, operating, or condition reports concerning financial institutions; and 9. Concerning gas or oil wells.
Front Office	The Front Office functions of CSB include Customer Relationship Management (CRM)/Customer Interaction activities and interfaces, consisting of Paper Correspondence, Call Center (Customer Service Representative) Operations, an Interactive Voice Response (IVR) system, and the CSB Website.
FSA Financial Management System (FMS)	FSA's Financial Management System (FMS) uses Oracle Federal Financials to create a single, centralized integrated financial management system for all financial activities within FSA. Serves as the general ledger for CSB.
FSA Integration Partner	FSA's prime contractor for implementing the Integration Blueprint. The Integration Partner is helping integrate FSA's computer systems so contractors and employees can better serve their customers. Accenture is the FSA Integration Partner.
FSA Security Guidelines	Starting with the Federal Security Requirements, the FSA Security Guidelines dictate and direct specific adherence, policies and performance of processes and systems within FSA's purview.

Term	Definition
Guaranty Agency (GA)	A state agency or a private, nonprofit institution or organization that administers the financial aid programs within the Federal Family Education Loan (FFEL) Program. A major function is to insure Federal Family Education Loans. Guaranty agencies are reimbursed by the federal government for all or part of the insurance claims they pay to lenders.
Human Capital Management	Human capital management involves developing and carrying out a plan that supports the Department's mission by ensuring that skilled, high-performing employees are available and deployed appropriately. This plan is supported by a competitive sourcing plan that ensures that services are provided at a maximum level of cost effectiveness.
Income Contingent Repayment (ICR)	ICR is a repayment plan that bases a borrower's monthly payment on yearly income, family size, and loan amount. As income rises or falls, so do payments. After 25 years, any remaining balance on the loan will be forgiven, but taxes must be paid on the amount forgiven. Each year a borrower's monthly payment will be based on family size, annual Adjusted Gross Income (AGI) as reported on the borrower's federal tax return, and the total amount of the borrower's Direct Loan(s). To participate in the ICR Plan, a borrower must authorize the U.S. Internal Revenue Service (IRS) to inform the U.S. Department of Education (ED) of the amount of income that was reported. This information will be used to calculate the borrower's repayment amount, which will be adjusted annually to reflect changes in AGI. If the ICR plan is selected, a bill will be generated for only the interest amount that accrues on the loan each month until the required documentation is completed and returned. FSA cannot place a borrower on the ICR Plan until FSA receives all completed forms.
Integrated Technical Architecture (ITA)	Infrastructure that will reduce the number of stove piped applications within FSA that are costly to update. FSA applications use this infrastructure to reduce performance bottlenecks and resolve issues.
International Organization for Standardization (ISO)	The International Organization for Standardization (ISO) is a worldwide federation of national standards bodies from more than 140 countries, one from each country. ISO is a non-governmental organization established in 1947. The mission of ISO is to promote the development of standardization and related activities in the world with a view to facilitating the international exchange of goods and services, and to developing cooperation in the spheres of intellectual, scientific, technological and economic activity. ISO's work results in international agreements that are published as International Standards.
IVR (Interactive Voice Response)	Telephony technology in which someone uses a touch-tone telephone to interact with a database to acquire information from or enter into the database.

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Term	Definition
Loan Consolidation System (LC)	Works with the Direct Loan Servicing System and Debt Management Collection System, and FFEL lenders, to help borrowers better manage student aid obligations by consolidating separated loans. A loan, arranged through ED's Loan Origination Center (LOC), that combines several Title IV education loans (including non-Direct loans) into a single loan with one monthly repayment.
Loan Discharge	The release of borrowers from their obligations to repay all or part of their Direct Loans. A borrower may be eligible for a discharge if the borrower dies, becomes totally and permanently disabled, or did not received a refund that was owed to him or her. The borrower might also be eligible for a discharge if the borrower is unable to complete his or her program of study because the school closed while the borrower is still attending or the borrower's school falsely certified the borrower's eligibility to receive a loan. In certain cases, the borrower's loan may be discharged in bankruptcy.
Loan Rehabilitation	After a borrower has made 12 consecutive monthly payments that are both reasonable and affordable, the loan will be reinsured. The borrower will then be eligible to have the loan purchased by a lending institution. Once a loan is rehabilitated, it will be taken out of default, the credit bureau reports made by the servicing agency will be deleted, the borrower will be able to repay the loan over a 9 year period, and will again be eligible for additional Title IV student financial aid funds.
Loan Repayment	Activities undertaken to repay a loan. The borrower is obligated to make payments to his or her loan.
Loan Servicing	Activities undertaken to maintain a loan. Applies to FFEL and Federal Direct Loans, as well as Federal Perkins Loans.
National Directory of New Hires (NDNH)	A process by which FSA sends a request to the NDNH database (managed by U.S. Department of Health and Human Services) to verify accurate address information for borrowers. The National Direct New Hire reporting is the process by which an employer reports information on newly hired employees to a designated state agency within 20 days. The New Hire Report, at a minimum, contains the employee's name, address and Social Security Number along with the employer's name, address and Federal Employer Identification Number. FSA can only use this information if the borrower's Adjusted Gross Income (AGI) is greater than $16,000.
National Student Loan Data System (NSLDS)	NSLDS is the U.S. Department of Education's central, integrated database for student aid. NSLDS stores Title IV data that is received from schools, guaranty agencies, and many internal FSA systems.
Office of Management and Budget (OMB)	Executive branch office that assists the President in the development and implementation of the budget, program, management and regulatory policies.
Office of Postsecondary Education (OPE)	The Office of Postsecondary Education (OPE) formulates federal postsecondary education policy and administers programs to improve access to quality postsecondary education in the United States.

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Term	Definition
Ombudsman	An individual who conducts objective fact-finding about complaints and recommends solutions. FSA opened an Ombudsman's office to help customers resolve problems that couldn't be resolved elsewhere.
Operational Level Agreements	Performance based agreements based on operational goals tied to strategic objectives.
Operational Metrics	Metrics processes designed to measure the accomplishment of business functions related to specific service levels.
PBO (Performance Based Organization)	In response to complaints about data system breakdowns, lack of integration among a growing number of systems, and poor overall customer service, Congress made fundamental changes to the student financial aid system to create a simpler, more modern and efficient process. In the Higher Education Amendments of 1998, which had overwhelming bipartisan support, Congress established FSA as the first performance-based organization (PBO) in the federal government. Congress believed that a customer-focused PBO could reengineer student aid systems and contracts, resulting in an effective, less expensive, and less bureaucratic process. The essence of the PBO idea is a contract, wherein the PBO management accepts performance goals, in return gains control over the actions that determine results, and is then held accountable for those results. Specifically, the PBO legislation requires the Chief Operating Officer to work with the Secretary to develop a 5-year performance plan that establishes measurable goals and objectives for the organization. The compensation of the COO, senior management, and staff are all linked to their success in meeting the objectives set forth in the performance plan. In enacting the PBO legislation, the conferee's explicitly stated that subject to the direction of the Secretary, "the PBO, while a part of the Department of Education, shall exercise independent control from the principal offices of the Department in carrying out its day-today activities, including its budget allocations and expenditures, its personnel decisions, its procurements, and its other administrative and management functions. This level of independence is critical to providing the PBO with greater flexibility in the management of the operational functions assigned to it."
Performance Metrics	Metrics processes designed to measure the accomplishment of business functions related to the strategic business objectives of FSA.

Appendix G
Glossary of Terms

Term	Definition
Perkins Loan Program	Established in 1958 as the National Defense Student Loan Program. Perkins Loans are low-interest loans made to students with exceptional financial need. Perkins is a 1 billion dollar a year program funded by revolving funds from the schools, Federal Capital contribution, collections and interest, and Institutional Capital contribution. These loans are originated and serviced by schools. Although schools assign certain defaulted Perkins Loans to the Department of Education, these funds are not guaranteed by the Department of Education since they are considered to be part of the campus-based program federal funds. Debts are assigned to the Department of Education for default or assumed for servicing in the event an institution ceases to participate.
Post enrollment	Post-enrollment is the period of the student aid that includes servicing the William D. Ford Federal Direct Loan Program portfolio, performing Direct Loan consolidation, and the management and recovery of student aid obligations assigned to the US Department of Education.
Private Collection Agencies (PCAs)	Private Collection Agencies provide collection services for defaulted student loan accounts.
Program Integrity	The Program Integrity includes improving and integrating FSA's financial and management information systems to manage student aid programs effectively and maintaining effective internal controls to reduce the risk of errors and permitting effective monitoring of programs and processes. By doing this FSA will improve program integrity by reducing the programs' vulnerability to fraud, waste, error and mismanagement.
Repayment Estimator	Tool available to Direct Loan borrowers through the Direct Loan Website, and Direct Loan Client Service Representatives through the eCRM application. This tool provides a mechanism to analyze various repayment alternatives for the borrower.

Term	Definition
Repayment Plan	The Direct Loan Program offers four repayment plan options: • Standard - Under this plan you will pay a fixed amount of at least $50 each month for up to 10 years. For most borrowers, this plan results in the lowest total interest paid because the repayment period is shorter than it would be under the other plans. • Extended - Under this plan you will pay a fixed amount of at least $50 each month for 12-30 years, depending on the total amount you owe. Selection of this plan will result in a lower monthly payment; however, total interest paid will be higher than the total interest paid with the Standard Repayment Plan. • Graduated - With the Graduated Repayment Plan, your payments start out low, and then increase every two years. The repayment period for your loan will be 12-30 years, depending on the total amount you owe. Generally, the amount you'll repay over the term of your loan will be higher under the Graduated Repayment Plan than under the Standard and Extended Repayment Plans. However, if your income is low when you leave school but is likely to steadily increase, this might be the best plan for you. • Income Contingent - A repayment plan that bases your monthly payment on your yearly income, family size, and loan amount. As your income rises or falls, so do your payments. After 25 years, any remaining balance on the loan will be forgiven, but you may have to pay taxes on the amount forgiven. Each year your monthly payment will be based on your family size, annual Adjusted Gross Income (AGI) as reported on your federal tax return, and the total amount of your Direct Loan(s). To participate in the ICR Plan you must authorize the U.S. Internal Revenue Service (IRS) to inform the U.S. Department of Education (ED) of the amount of your income. This information will be used to calculate your repayment amount, which will be adjusted annually to reflect changes in your AGI. If you select the ICR Plan, you will be billed for only the interest amount that accrues on your loan each month until you complete and return the required documentation. We cannot place you on ICR Plan until we receive your completed forms. Each of these plans offers a different repayment schedule to match up with the differing needs of our borrower community.
Routing Identifier (RID)	A FSA initiative that plans to provide the means to facilitate interaction with FSA systems and services by providing a single identifier with which schools, third party services, lenders, and state agencies among others can identify themselves to the entire enterprise.

Appendix G
Glossary of Terms

Term	Definition
Section 508	The Department of Education has made a commitment to support its obligation under Sections 504 and 508 of the Rehabilitation Act of 1973, as amended, to ensure the accessibility of its programs and activities to individuals with disabilities, specifically its obligation to acquire accessible electronic and information technology. In May 1995, the Office of the Chief Information Officer instituted an Assistive Technology Program to implement the use of technology to assist disabled employees and customers gain access to information and information systems through the personal computers on their desktop. The Assistive Technology Program has grown to include a diversified set of services for staff, supervisors, and customers. Those services include: the assessment of individual needs to determine what barriers to information and information systems exist and the technologies available to assist in removing or reducing those barriers, the identification of technology sources, acquisition assistance, technology installation, technology training, one-on-one individual problem resolution, guidance to application Internet system developers and vendors, technology demonstrations, and the review of information systems to determine accessibility to the disabled. Today this program is considered a model and is emulated by many other federal agencies. In August of 1998, the Workforce Investment Act of 1998 was passed re-authorizing Section 508 of the Rehabilitation Act of 1973. This legislation requires all federal agencies to procure, develop, maintain, and use accessible electronic and information technology. The Department of Education Assistive Technology Team, in addition to providing internal support, has entered into a partnership with other key agencies forming the Federal Information Technology Accessibility Initiative to provide technical assistance and training to other federal agencies.
Software Applications Maintenance	Software Applications Maintenance encompasses all production fixes, functional enhancements, and application upgrades to websites, programs, etc.
Student Credit Management (SCM)	The Student Credit Management (SCM) organization falls under the Students Channel within FSA. SCM is responsible for managing student aid obligations through repayment, consolidation, and collections activities. The Repayment mission is to provide cost effective repayment products and services to customers using expertise and partnerships to offer the best possible solutions. The Loan Consolidation Program's mission is to refinance a student or parent's student loan in the least costly, most customer friendly and efficient manner possible. The mission of the Collections' business unit is to maximize recovery from defaulted student loans.
System of Record (SOR)	The owner/source of data in cases where data exists in multiple systems. System of record is usually where the "best" data exists, defining "best" as timely, accurate, complete and nearest to the originating source.

Term	Definition
Title IV Aid	Federal financial aid programs for students attending postsecondary educational institutions, authorized under Title IV of the Higher Education Act of 1965, as amended (HEA). The programs are administered by the U.S. Department of Education. Title IV programs consist of: • Academic Achievement Incentive Scholarship Program • Federal Pell Grants • Federal Supplemental Educational Opportunity Grants (FSEOGs) • Federal Work-Study (FWS) • Federal Perkins Loans • William D. Ford Federal Direct Loans • Federal Family Education Loan (FFEL) Program • Federal Consolidation Loans • Gaining Early Awareness and Readiness for Undergraduates Program (GEAR-UP) • Leveraging Educational Assistance Partnership (LEAP) Program [formerly State Student Incentive Grants (SSIG)] • Robert C. Byrd Honors Scholarships
Treasury Offset Program (TOP)	The Federal Treasury Offset Program is designed for the Department to provide certified debts that the Treasury can collect via offset of the borrower's Federal income tax refund, and other Federal payments, thereby reducing the outstanding balance due to the Department. Amounts that are offset by Treasury are reported to the Department via magnetic tape on a weekly basis.
US Government Paperwork Reduction Act	The Paperwork Reduction Act requires all federal agencies to obtain approval from the Office of Management and Budget (OMB) before collecting information from the public. Ways of collecting information include questionnaires, focus groups, telephone surveys, applications, performance reports, customer satisfaction surveys, studies and evaluations, interviews, forms, and any other means of requesting information from ten or more respondents.
Virtual Data Center (VDC)	This contract provides centralized computer processing services, including all hardware and system software necessary to support the Title IV programs. All FSA data processing is expected to be done by the Data Center. This function is provided under a GSA contract with Computer Services Corporation (CSC) of Meriden, Connecticut.
Web Portals	FSA has a web portal with separate views for FSA's customer groups enabling authorized users to access information, link to existing systems, and participate in the delivery and management of the Federal student aid process. Each view is specific to the needs of FSA's core customer groups: Students (http://www.studentaid.ed.gov) Schools (http://sfa4schools.sfa.ed.gov) Financial Partners (http://www.fp.ed.gov)

Term	Definition
William D. Ford Federal Direct Loan Program	A federal program where the U.S. government (not a commercial lender) provides four types of education loans to student and parent borrowers directly through schools: • Federal Direct Stafford Loan (subsidized, for students), • Federal Direct Unsubsidized Stafford Loan (for students), • Federal Direct PLUS Loan (for parents), *and* • Federal Direct Consolidation Loan (for students and parents). These loans are referred to collectively as Direct Loans.

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19   **Appendix H – Student Credit Management Volumes**
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Appendix H
Student Credit Management Volumes

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Student Credit Management Portfolio	Non-Defaulted Direct Loans Portfolio (as of Dec.31 2002) [1]	Collections Portfolio (as of Dec 31 2002)	Totals
Total Portfolio [2]	$ 77,559,173,772	$ 14,461,827,914	$92,021,001,686
Number of Loans [2]	16,188,548	4,088,406	20,276,954
Number of Borrowers	6,252,599	2,329,854	8,582,453
Number of Payments Processed (Jan 2002 – Dec 2002)	25,193,711	3,943,443	29,137,154

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2   [1] Does not include Paid in full or Paid by claims
3   [2] Excluding loans with zero or negative balances for the Collections Portfolio
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Loans Consolidated (Jan 2002 – Dec 2002)	Total
Number of Applications Accepted	459,725
Number of Applications Booked	320,461

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Customer Interaction (Jan 2002 – Dec 2002)	Direct Loan Servicing	Collections	Consolidation
Calls	19,621,602 [3]	1,143,144	1,512,624
Incoming Correspondence	1,779,455 [4]	292,904	
Bills Mailed	30,611,728		
1098-Es Mailed	2,923,336		
Annual Statements Mailed	774,475		
Deferment Application Forms Mailed	1,094,431		
Forbearance Application Forms Mailed	2,201,341		
Initial and Follow-Up Exit Counseling Packages Mailed	991,964		
Quarterly Interest and Other Statements Mailed	16,216,531		
Miscellaneous Letters Mailed	17,142,495		

6   [3] Includes 7,280,121 incoming calls and 12,341,481 outbound calls
7   [4] This figure represents Deferments and Forbearances received
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Customer Data (Jan 2002 – Dec 2002)	Total
Electronic Student Status Confirmation Reports (SSCRs) Processed	8,604,190
Manual Student Status Confirmation Reports (SSCRs) Processed	317,555

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10   Conditional Disability Discharge Tracking System

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12   Since the Conditional Disability Discharge Tracking System is a new program, the Department does
13   not yet have annual demographic data and program information. However, review of other sources of
14   information within the Department indicates we can expect to receive approximately 30,000 borrower
15   accounts per year with approximately 70,000 underlying loans. Over any three-year period, after initial

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1 start-up, the Department expects to manage up to 90,000 accounts. It is estimated that 80% of these
2 loans will be eligible for final discharge.

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